

Purchasing Week

MCGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

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Vol. 1 No. 18

New York, N. Y. May 5, 1958

\$6 A YEAR U.S. AND CANADA

\$25 A YEAR FOREIGN

Autos Big 3 Unite to Face Union Demands

New York—The big three automakers, who grabbed the ball away from Walter Reuther's recession-weakened contract negotiators in Detroit last week, appeared to be taking a clear stab at a modified form of industry-wide bargaining by coordinating bargaining objectives and tactics.

Elsewhere on the labor front, a pilots' strike tied up foreign shipping in great lakes ports, a judge's injunction cleared up pier delays at New York, and 1,800 Ohio foundry workers returned to their jobs with wage boosts after an 11-week walkout.

Detroit—Having taken a bargain-or-else stand by rejecting a United Auto Workers bid for a three-month contract extension, Ford, General Motors, and Chrysler now are expected to come up with a new contract offer to Walter Reuther.

The big three had offered the union a two-year renewal of the present expiring agreements, but their new settlement proposal probably will contain some variations. Details of the new offer, expected in about three weeks, include the possibility of a one-year pact, but with some "sweetening" factors such as an upward adjustment in the wage productivity index. There also is talk

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'Sell Now' Fever Hitting Industry

New York—A leather goods manufacturer reports the luggage portion of its business is off "terribly" but its salesmen's sample case production is up, reflecting the "hard sell."

That business commentary symptomizes a potent "sell now" fever spreading among industrial sales organizations. It comes in

(Continued on page 27)

Tax Cuts Opposed By Businessmen

At U.S. C. of C. Meet

Washington—A big segment of businessmen attending the annual meeting of the U. S. Chamber of Commerce last week lined up almost solidly in opposition to any general tax cuts this year.

This was one of the key findings in a spot survey conducted by PURCHASING WEEK among delegates to the meeting. Although there was less complete agreement on the state of the economy, the poll showed a high

(Continued on page 26)



9,719 DEMANDS, listed on chart, of U.A.W. locals in addition to national ones are explained by Louis G. Seaton, G.M. vice president.

U.S. and Canada Fix Toll Schedule For Seaway Opening Next Spring

Washington—U. S. and Canadian authorities, after nearly three years' work, have agreed on a single schedule of tolls for the St. Lawrence Seaway. With only a few minor details remaining, the tolls committees of both nations expect to announce the seaway rates within the very near future.

Pending the detailed joint announcement, U. S. Tolls Committee Chairman E. Reece Harrill gave PURCHASING WEEK an advance look at the basis on which the tariffs will be established when the long-sought seaway opens for general shipping use next spring.

• Rates will be based on the type of cargo carried, lower for bulk commodities than for general cargo. These charges will be firmly established at fixed levels calculated to pay off seaway indebtedness over 50 years, including allowance for a developmental period during the early years

(Continued on page 4)

Shipping Costs Now Leveling Out

New York—Buyers and shippers report a leveling out in the hitherto sharply rising transportation cost curve. And it's happened rather quickly, since the start of 1958.

It's due primarily to a downturn in transportation activity stemming from the current recession. But don't completely discount the long-term trend decline for the railroads and the increasing intracarrier competition which they can expect.

The current pressure on ocean cargo, truck, and to a certain extent railroad rates will continue for at least the rest of the year,

(Continued on page 3)

Metal Producers Cool To U.S. Price Subsidy

Washington—Leading metals producers reacted coolly toward the Administration's proposal to subsidize domestic metal-mineral producers. Interior Secretary Fred A. Seaton last week tossed the controversial question of government support back to Congress, with the upshot no action is likely to be taken until some time next year.

Copper Prices Under Scrutiny

New York—Attention focused on copper and price fluctuations of the metal this week from several directions.

• International copper producers and consumers prepared to open price discussions in London on May 8.

• Two major U. S. producers predict an open market price increase if a strike against an Anaconda mine in Chile spreads to a Kennecott operation.

• Chile asked the U. N. Commission on International Commodity Trade, meeting in New York, to act on its proposal for

(Continued on page 4)

Wind, Rain Storm Flood Dallas Industrial Areas

Dallas—A violent wind and rain storm flooded nearby industrial districts last week causing extensive damage and halting many incoming and outgoing shipments.

Kelite Corporation's warehouse, which serves a four-state area, lost its roof, and the firm's stock of industrial chemicals was ruined by rain.



E. REECE HARRILL

—This Week's—

Purchasing Perspective

MAY 5-11

Steel industry leaders are making it increasingly plain they would be willing to forego a price increase this summer if the Steelworkers Union would take a temporary wage freeze.

No formal proposals have been made, but U.S.W. President David J. McDonald already has given an answer: "Not a chance." The U.S.W. contends a wage freeze would not only lower living standards of steelworkers but also would "soon be reflected in a worsening of the economic recession." What's more, say the union economists, steel producers can easily afford automatic pay boosts due July 1 despite fact first quarter reports show industry earnings down as much as 50%.

The companies naturally dispute this claim. U. S. Steel Chairman Roger Blough said last week such added costs (estimated by management at 20¢ per hour) could be recorded only in red ink.

Steel producers face a grim situation. While hopeful the steel slump is leveling out, most don't see a real upturn before fall. It's going to take some real economic statesmanship on the part of both labor and management to find an adequate answer this year to the perennial wage-price spiral.

The same set of facts of economic life must be faced in Detroit. There, for a change and at least temporarily, the automakers

(Continued on page 25)

Defense to Obey Oil Restrictions

Washington—The Defense Department no longer will buy petroleum products refined from imported crude oil which violates the government's voluntary restriction program.

The military, returning to a "Buy American" policy for petroleum procurement, last week laid out new ground rules for buying. The revision was required by a recent presidential order tightening the imports program and denying government business to companies which do not comply.

Main points of the new purchasing regulations were:

• The military petroleum pur-

(Continued on page 26)

Nylon Fighting Rayon For Tire Market In 'Battle of Fibers'

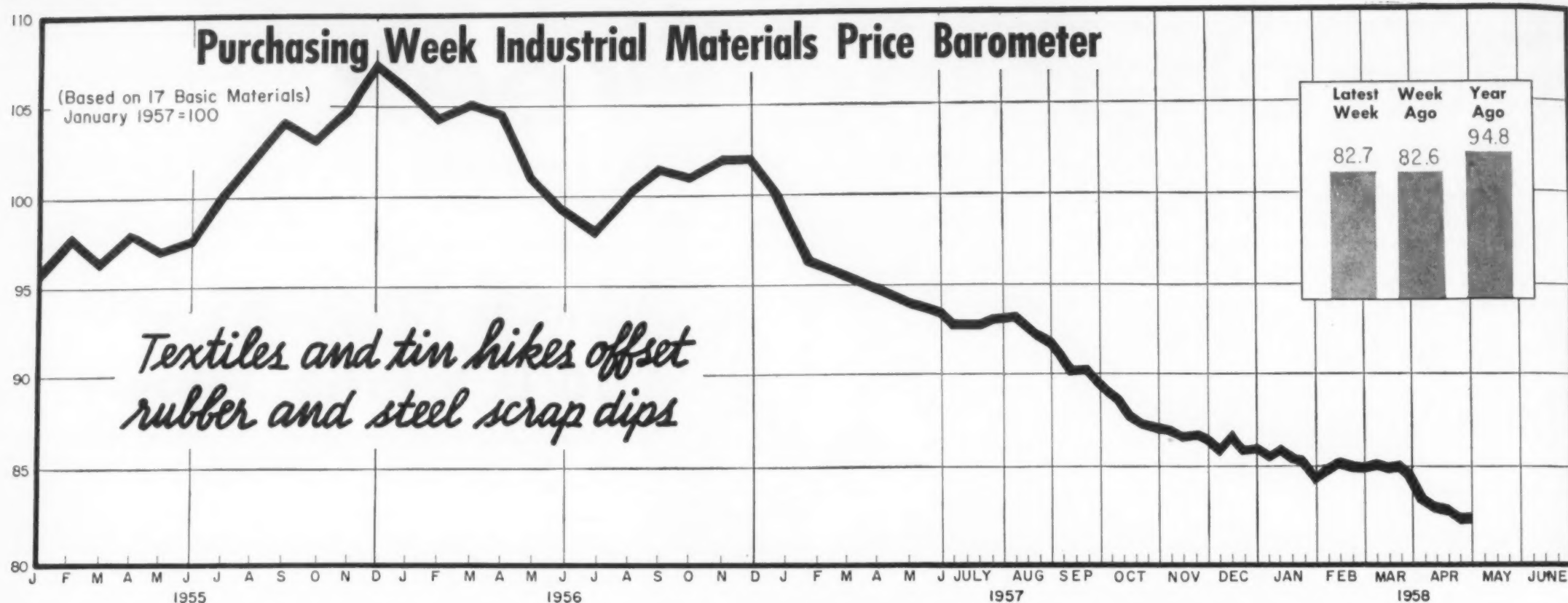
Detroit—The automobile industry could deliver the knockout punch to rayon tire cord in what is shaping up as the final round in a "Battle of the Fibers."

Chevrolet is fleet-testing 250,-

(Continued on page 26)

Visit P.W. Booth

You are invited to visit the PURCHASING WEEK booth (No. 93) at the Inform-A-Show being held, May 11-14, at Chicago in conjunction with the N.A.P.A. convention. A feature will be a teletype carrying U.P. radio news. P. W. editors will be present to greet you.



This Week's

Price Perspective

MAY 5-11

Plight of the domestic metal producers is getting top priority from Washington officials.

The problem is how to booster sagging prices—and keep domestic producers from being priced out of the market by lower cost foreign mines.

Oddly enough, there's no lack of solutions. Last week's "subsidy to domestic producers" plan made the fifth possible alternative that has been brought up recently.

The other proposals under consideration: Increase in tariffs, quota limitations, stepped up stockpiling, and international commodity agreements.

It's significant that all five solutions involve a goodly measure of government intervention and protection.

It's no longer a question of the presence or absence of government control. The problem now is which step or combination of steps would best serve everybody—producer, fabricator, consumer, and our foreign allies.

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All plans have their advantages and disadvantages.

• Tariff boosts—These were recently recommended by the Tariff Commission for lead, zinc and copper. But the suggestions have run into considerable opposition, particularly among metal producing nations who depend upon metal sales for their livelihood.

• Quotas—These were recommended by several Republican members of the Tariff Commission. Since this in effect would completely shut out a part of the foreign supply, it has aroused an even bigger international protest. The administration, sensitive to these international pressures, has indicated it would be loathe to use this strong measure.

• Stockpiling—There is considerable talk of raising stockpile goals. In theory, this would take supplies off the market, keep prices firm. But it would mean reopening of the zinc and copper stockpiling programs, and the extension of the lead program which is slated for completion in a few months.

• International commodity agreements—This means stabilizing prices was discussed in this column last week. While such pacts would control prices there are several pitfalls. Problems involve the circumventing of domestic antitrust laws, and the need to have all producing and consuming countries in on the agreement.

• • •

• Subsidies—The subsidy proposal is outlined on page 1.

In addition to meeting some of the foreign and domestic objections of the other proposals, it has this added advantage.

Domestic buyers would not have to pick up the tab for the protection granted to the domestic metal industry. In times of depressed prices, such as we have now, P.A.'s would still be buying at world market prices. The difference between the world market and fixed "support" prices would be made up by the government.

• • •

The metal field, moreover, is not the only one where the government is faced with making an imminent "price" decision.

There's increasing sentiment on Capitol Hill for excise tax repeal on autos, refrigerators, air conditioners and other big-ticket consumer items.

Result: Consumers who do want to buy are now holding off. They're waiting for these promised cuts to materialize. And who can blame them? If the 10% tax on autos was repealed, purchase of a \$2,000 car would save the buyer \$200.

In a sense, talk only makes things worse unless it's quickly backed up with positive action.

This Week's Commodity Prices

METALS

	Apr. 30	Apr. 23	Year Ago	% Yrly Chg.
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	65.50	+ 2.3
Pig iron, basic, valley, gross ton	66.00	66.00	64.50	+ 2.3
Steel, billets, Pitts. net ton	77.50	77.50	74.00	+ 4.7
Steel, structural shapes, Pitts., cwt	5.275	5.275	5.00	+ 5.5
Steel, structural shapes, Los Angeles, cwt	5.975	5.975	5.70	+ 4.8
Steel, bars, del., Phila., cwt	5.725	5.725	5.365	+ 6.7
Steel, bars, Pitts., cwt	5.425	5.455	5.075	+ 6.9
Steel, plates, Chicago, cwt	5.10	5.10	4.85	+ 5.2
Steel scrap, #1 heavy, del. Pitts., gross ton	32.50	32.50	41.50	-21.7
Steel scrap, #1 heavy, del. Cleve., gross ton	29.50	29.50	38.50	-23.4
Steel scrap, #1 heavy, del. Chicago, gross ton	30.00	30.00	40.00	-25.0
Aluminum, pig, lb	.24	.24	.25	- 4.0
Secondary aluminum, #380 lb	.213	.213	N.A.	N.A.
Copper, electrolytic, wire bars, refinery, lb	.243	.240	.316	-23.1
Copper scrap, #2, smelters price, lb	.183	.180	.25	-26.8
Lead, common, N.Y., lb	.12	.12	.16	-25.0
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	1.60	-53.8
Tin, Straits, N.Y., lb	.938	.930	.988	- 5.1
Zinc, Prime West, East St. Louis, lb	.10	.10	.135	-25.9

FUELS

Fuel oil #6 or Bunker C, Gulf, bbl	2.25	2.25	2.75	-18.2
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.65	2.65	3.20	-17.2
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.50	2.50	2.70	- 7.4
LP-Gas, Propane, Okla. tank cars, gal	.04	.04	.04	0
Gasoline, 91 oct. reg. Chicago, tank car, gal	.118	.118	.128	- 7.8
Gasoline, 84 oct. reg. Los Angeles, rack, gal	.112	.112	.136	-17.7
Coal, bituminous, slack, ton	5.75	5.75	6.05	- 5.0
Coke, Connellsville, furnace, ton	15.25	15.25	15.25	0

CHEMICALS

Ammonia, anhydrous, refrigeration, tanks, ton	90.50	90.50	82.50	+ 9.7
Benzene, petroleum, tanks, Houston, gal	.36	.36	.36	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut oil, inedible, crude, tanks, N.Y. lb	.153	.153	.126	+21.4
Glycerin, synthetic, tanks, lb	.278	.278	.28	- 7.7
Linseed oil, raw, in drums, carlots, lb	.175	.175	.163	+ 7.4
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	3.50	- 7.2
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.70	9.70	9.60	+ 1.0
Shellac, T.N., N.Y. lb	.31	.31	.36	-13.9
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	26.50	-11.3
Sulfuric acid, 66%, commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.08	.081	.078	+ 2.6
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0

PAPER

Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.15	+ 5.3
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	23.55	+ 2.8
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Kraft liner, 42 lb del. N.Y., ton	127.50	127.50	127.50	0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.50	9.50	9.25	+ 2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.60	- 3.0

BUILDING MATERIALS

Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.42	4.42	4.38	+ 9.9
Glass, window, single B, 40" bracket, box	7.00	7.09	7.09	- 1.3
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y.	115.00	115.00	119.00	- 3.4
Douglas fir lumber, 2x4, s4s, trucklots, fob N.Y.	120.00	120.00	119.00	+ 8.8

TEXTILES

Burlap, 10 oz, 40", 100 yd	10.40	10.45	11.00	- 5.5
Cotton, 1" Middling N. Y., lb	.361	.360	.354	+ 2.0
Printcloth, 39", 80x80, N.Y., spot, yd	.171	.171	.178	- 3.9
Rayon, satin, acetate, N.Y., yd	.27	.27	.285	- 5.3
Wool tops, N.Y. lb	1.40	1.415	2.02	-30.7

HIDES AND RUBBER

Hides, cow, light native, packers, lb	.145	.145	.135	+ 7.4
Rubber, #1 std ribbed smoked sheets, lb	.248	.268	.328	-24.4

Buyers, Shippers Note Declines In Transportation Cost Curve

Cause Linked to Current Recession; Airlines, Truckers holding Own; Railroads' Future Dim

(Continued from page 1)
or until business activity is again on the upswing.

The airfreight picture, however, is much brighter. For the airlines have been relatively successful in keeping business up. Note in the chart at the right the mildness in the airline freight traffic downturn in the past six months.

First-quarter 1958 air freight totals will probably still outpace the year-ago total. There are two solid reasons why the air carriers are taking only a mild beating in the current recession.

- Air freight is in the "growth phase" of its development—like the railroads were 35 years ago. So the long-term rising trend is cushioning the downturn.

- The airlines are pushing their freight service to the hilt. That's because it offers a great profit potential as compared to the passenger end of the business.

Railroads Taking Beating

The railroads, on the other hand, are taking a severe beating in the recession (see chart at the right). Freight carloadings have run behind year-ago figures for the past 37 weeks, with first-quarter loadings 19% behind 1957. Biggest dips have come in coal, coke, and ore shipments, down 21% from last year, and forest product loadings, 11% below 1957.

And the future is not much brighter. For besides the current downtrend, the rails are suffering from the following economic ills:

- The industry's long-term growth pattern has definitely reached its end. And a slow long-term decline has probably begun.

- A series of frequent and hefty rate hikes have come one on top of another during the past few years. It has put many other forms of transportation in direct competition with the railroads, even in many traditional "exclusive rail" areas.

Users to Be Giver Breather

This competition precludes further boosts. Users of the rails can anticipate a breather in the rate increase situation. In fact, some specific areas are likely to come in for rate cuts in the coming months.

The Southern and Western Pacific Railroad Co.'s have announced plans to cut rates on lumber shipments late in May. And many of the Southern and Western roads are openly opposed to any further freight hikes, with some likely to apply for cuts in the tariffs on may farm as well as nonfarm commodities. Many of the railroad firms feel that this is the only way the rails can hold the markets which they are now serving.

Ocean shippers have taken the biggest beating in the current transportation downturn. Their slump is entering its second year and there's little firming news in sight.

Cargo rates have dropped to their lowest point since before World War II, better than 50% under the high of December, 1956. The downturn, in both

rates and activity, started soon after the Suez crisis had ended. The closing of the canal brought many old, reconditioned ships back into world shipping and started a building boom in the shipyards of the world.

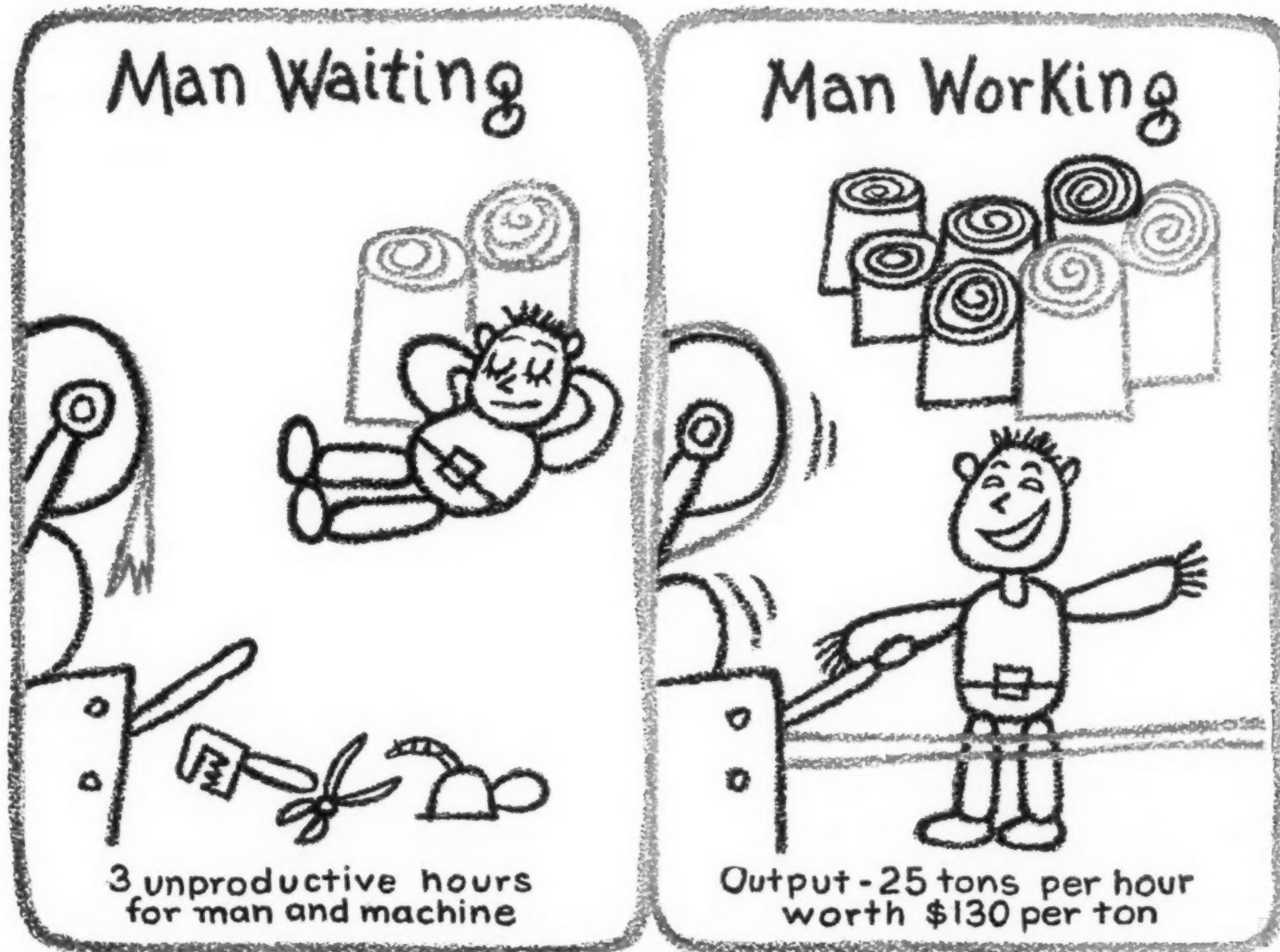
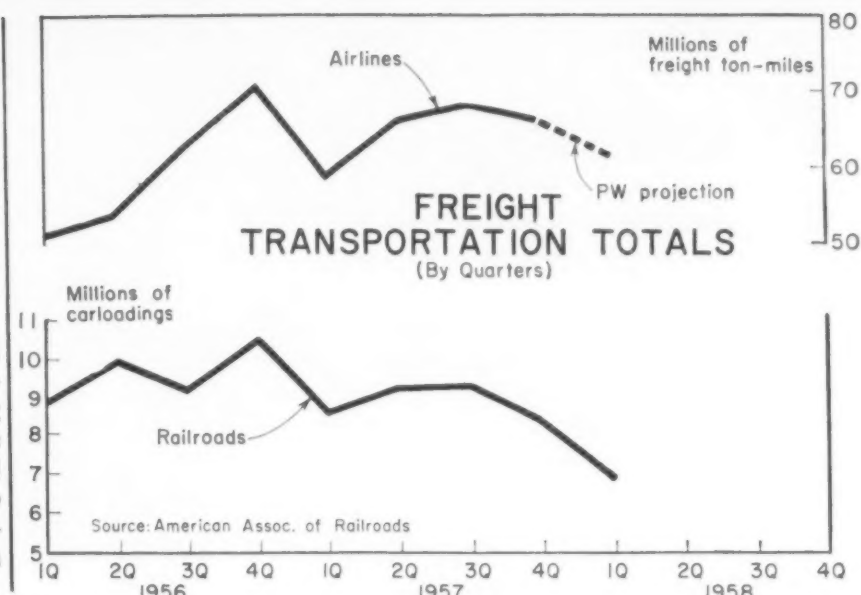
Truckers meanwhile, have been holding their business up fairly well and increasing their share of

the transportation market. Inter-city truck tonnage in 1957 was 1% above 1956. But 1958 has shown a 6% decline below year-ago activity.

The ability of truckers to soften their current downturn stems from:

- The industry is still in its long-term growth period of development.

- Most truckers have proved themselves to be extremely aggressive and flexible in soliciting business. This is especially true in the obtaining of back-haul loads, where there is alleged to be considerable rate cutting below published levels to obtain business.



In the past, production losses due to breakdown of dryer roll bearings were so small they could be made up.

Today shut down of high-speed machines puts production behind by hundreds of tons per hour—quickly piles up losses.

Lubricating plan cuts downtime — can save \$10,000 in 3 hours

Not so long ago, machines shut down by bearing failure could make up production losses. Today volume output and integrated production mean that production losses are losses in profit. These are the reasons behind management's growing concern with lubrication methods in their plants.

Take this example from the paper industry: they used to figure \$500 for a bearing, \$500 for labor (idle time and repair crew) and expected to make up losses on the two or three hours downtime. Today, high speed machines produce twenty-five tons of paper per hour worth \$130 per ton. You can't ignore \$3,000 an hour in production

losses. In this case, the cost of the bearing replacement could run as high as \$10,000.

Lubrication problems differ with specific industries, but the basic principles are the same. Many companies are finding that the services of a plant lubrication engineer pay off. His services can extend part life, eliminate production losses, reduce rejects, simplify lubricant inventories and otherwise add to income. Some companies delegate lubrication responsibility to engineers or plant personnel who also perform other duties.

In both cases, Texaco's organization of Lubrication Engineers is function-

ing in all 48 States, as consultants in outlining a practical approach to these problems. A more detailed discussion is available in an enlightening booklet: "Management Practices That Control Costs Via Organized Lubrication." Write The Texas Company, 135 E. 42nd St., New York 17, N. Y., Dept. W-11.



LUBRICATION IS A MAJOR FACTOR IN COST CONTROL
(PARTS, INVENTORY, PRODUCTION, DOWNTIME, MAINTENANCE)

Washington Perspective

MAY 5-11

Sentiment is picking up for a tax bill this year that would give a boost to business—regardless of whether Congress finally votes across-the-board income tax cuts for individuals and corporations.

These are proposals to pass tax reform measures designed to remedy specific situations—particularly if they aren't too controversial and where it's agreed they'd help a dragging area of the economy. Eisenhower at his news conference last week indicated a more favorable attitude toward this kind of tax legislation than he has on tax cuts generally.

For instance, there's considerable life in proposals to reduce auto excises—particularly since the point is made that the present 10% manufacturers' excise was enacted to discourage auto purchases during the Korean War.

But the hottest prospect is one that would give a shot to business of all kinds. It's Senator Capehart's bill to allow faster tax write-offs for depreciation to companies who invest in new plant and equipment during the 18 months beginning January of this year.

The theory is simple: By allowing larger deductions for amortization, a firm reduces its tax bill, winds up with more cash to spend for whatever purposes. This tax technique used during the Korean War helped spur one of the biggest periods of business spending for new plant and equipment in U. S. history.

. . .

The idea gets backing now particularly because one of the key soft spots is precisely business spending on plant and equipment.

Capehart says his bill would result in tax savings of \$600 million to \$1 billion a year.

Here's how Capehart's idea would work:

First, you'd be allowed to double the usual annual deduction on plant or equipment that now must be written off over a 15-year period or less. For investments with more than a 15-year tax life, you'd cut by two-thirds the tax life over 15 years.

Thus a piece of machinery with a tax life of 10 years under present Internal Revenue Service's "Bulletin F" could be written off in 5 years. A building now amortized over 30 years could be written off in 12½ years (7½ plus 5).

. . .

A look beyond the headlines will show that prospects for new labor legislation this year are still dim. Despite all the recent hoopla in the Senate.

The Senate had a four-day debate on the general state of American labor, then passed a full disclosure bill that aims to protect welfare and benefit funds from looting or mismanagement—no matter whether they are administered by unions, by employers, or by a combine of both. The Senate debate was mainly interesting, however, because it brought to the surface a fairly forceful exhibition of senatorial sentiment to tighten up Taft-Hartley by putting new restrictions on union officials.

For this year, however, it appears to have more sound than meaning. The Senate will debate labor reform again at mid-summer in greater detail, but even if it passes a bill the House Labor Committee—barring a real turnaround—will give it an unceremonious, pigeonhole burial.

Even the Benefit Fund Disclosure Bill likely faces death in the House Labor Committee. The AFL-CIO is for the measure, but House Committee Chairman Graham Barden is hostile. Even if Barden should let the measure out of committee, the opposition will be formidable from insurance companies, the National Association of Manufacturers and the Chamber of Commerce.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,293	1,270	2,226
Autos, units	59,130	73,219	123,633
Trucks, units	16,424	16,655	24,625
Crude runs, thous bbl, daily aver	6,984	7,051	7,634
Distillate fuel oil, thous bbl	10,943	10,901	12,352
Residual fuel oil, thous bbl	6,355	6,495	8,339
Gasoline, thous bbl	24,440	24,531	26,211
Petroleum refineries operating rate, %	76.0	76.8	85.6
Container board, thous tons	109,651	132,708	128,413
Boxboard, thous tons	126,677	130,906	120,522
Paper operating rate, %	85.7	87.8	95.1
Lumber, thous of board ft	228,772	200,237	243,929
Bituminous coal, daily aver thous tons	1,173	1,160	1,700
Electric power, million kilowatt hours	11,206	11,107	11,310
Eng const awards, mil \$ Eng News-Rec	485.6	325.7	476.0

Price Changes

Polypropylene—A 9¢ per lb. reduction in this thermoplastic has been announced by Hercules Powder Co. It results in a price of 56¢ per lb. for natural polypropylene.

Turbines and Generators—General Electric Co. has increased the price of the products of four eastern turbine divisions by 3%. The boosts cover steam turbine generator, marine propulsion and gear, and gas turbine units. Hike is reported due to rising material and production costs.

Crude Oil—The price Sinclair Crude Oil Co. will pay for extremely high gravity crude oil will be reduced to meet competition in local markets. A 2¢-reduction for each full degree of gravity over 44 will be put into effect. The maximum increase will be 22¢ per bbl.

Copper Prices Under Scrutiny

(Continued from page 1) an international copper price stabilization agency.

• An Administration plan to subsidize copper and other segments of the metals industry, proposed in Washington last week, brought a cool response from producers (see page 1).

Try for Minimum Prices

The London meeting, called by the International Wrought Non-ferrous Metal Council, will discuss prices generally but is expected to make no attempt to fix minimum prices. The meeting will be attended by representatives of European fabricators, consumers, and principal non-American producers who sell their copper in Europe. A Chilean governmental official is expected to argue his country's price stabilization scheme, however.

Talk of a possible strike at Kennecott's Braden mine in Chile began as a walkout at Anaconda's Chuquicamata mine entered its second month with no settlement in sight.

An Anaconda spokesman said "the greatest effect of the strike will be felt in Europe" because about 85% of Chuquicamata's copper goes there. With only 15% shipped to the U. S. It has little effect on American prices. The spokesman said continuation of the Anaconda strike could effect a price rise particularly on the London Metal Exchange.

Contract Runs to June 30

A Kennecott spokesman said the Braden mine's contract with miners runs until June 30 so that strike talk now is just "crystal gazing." But a walkout in combination with Anaconda's shut-down, he said, probably would force up copper on the open market.

Other producers fear, however, that when the labor controversy is settled, copper prices will hit a new low, especially in Europe.

Other sources believe the Chilean government, which is losing heavily in tax revenue as a result of the strike, cannot afford to let the walkout continue or spread.

U.S. and Canada Fix Toll Schedule For Seaway Opening Next Spring

Consumer to Receive Direct Benefits on Savings, Harrill Emphasizes; Explanation Included

(Continued from page 1)

when the experts expect the seaway to be used at half capacity or less.

• Shippers will pay the same cargo rates at the beginning of the seaway operation as five, 10, or 15 years hence. No changes are contemplated for the future; adjustments will be made only if future economic conditions force serious consideration of rate changes.

"Consumers will receive the direct benefits of any savings in lower transportation costs

through use of the seaway," Harrill told P.W. "Purchasing agents, whether buying for manufacturers, distributors, wholesalers, or retail outlets will be the first to recognize these savings in prices."

Harrill said industrial buyers and the ultimate consumer, of course, "will pay the cost of the toll charges, but these charges in all cases, or practically all cases, will be less than the cost of other transportation.

Would Use Other Routes

"If a saving were not attained through use of the seaway," he said, "the shipper would send his products by other routes."

St. Lawrence seaway toll rates are based on two criteria, Harrill said. These are:

• The toll charge for a vessel corresponds to the amount of cargo being carried. A vessel will pay charges only on what it is transporting and will not be penalized if passing through only partially laden. (Toll structures of the Panama and Suez Canals are based on the cargo-carrying capability of a vessel).

• U. S. law requires the seaway corporation to give consideration to general classes of commodities, differentiating bulk cargo from general cargo.

Must Assess by Type

The only way to do this, Harrill explained, was to assess toll charges in terms of commodity types carried.

Harrill thus made clear that the toll rates will be based on the guiding concept that general cargo can afford to pay more than bulk cargo.

House hearings in June, 1953, suggested toll rates of \$1.25-a-ton for general cargo and 50¢ for bulk. Main bulk commodities passing through the seaway will be iron ore, coal, grain, petroleum, forestry products, and similar cargoes. Harrill gave no hint as to how closely those suggestions were followed.

Adjustable for Distance

The U.S. official also revealed that rates will be adjusted so that vessels passing through only a portion of the seaway will not pay as much as ships going the entire seven-lock distance of the seaway.

No tolls will be charged to 14-ft. traffic using the U.S. section of the seaway this year. U.S. work bypassing the power dam at Barnhart Island and supplemental structures will be open to vessels of 14-foot draft in the first week of July.

The question of tolls on the Welland Canal, a previously existing Canadian facility connecting Lake Ontario and Lake Erie, is still to be settled. The canal has been toll-free with vessels paying only a small handling charge, and the force of Canadian opinion has been to continue the toll-free arrangement.

At mid-April U.S. construction on the seaway was 85% complete and on schedule for the final opening date next spring for vessels of 27-foot draft.

Inventory Liquidation Continues in March

Washington—Purchasing agents further cut back their buying during March as inventory liquidation continued at an unbroken pace.

This was a highlight of a Commerce Department report last week on manufacturers' inventories, sales and orders.

One cheerful sign in the report was that the decline in manufacturing sales and orders showed indications of slowing up. Sales during the month, when adjusted for seasonal factors, came to \$25.2 billion. This was a decline of \$400 million, but was only half the drop of the previous month.

Durable Goods Decline Slowed

A key factor was that durable goods sales slowed their precipitous decline. New orders coming into manufacturers in March also showed improvement from the previous several months. These amounted to \$23.9 billion seasonally adjusted, which was a decline of \$200 million compared to twice that drop for the month before.

Inventories at the month-end were \$52.1 billion—a \$400 million decline which was the same drop as in February. Inventory disinvestment centered in durable goods with machinery and motor vehicles producers accounting for three-quarters of the dip. There was a small increase in primary metals inventories and non-durable goods stocks showed little change.

Businessmen, Labor Heads Will Be Conference Panelists

New York—A panel of five business and labor leaders will discuss ways to eliminate uneconomic methods that boost the cost of finished products when the National Industrial Conference Board conducts its 42nd annual meeting here May 15-16.

Another highlight of the meeting will be a panel investigation of "the short-term outlook: Recovery in 1958?" Six recognized authorities on the course of business conditions will microscope the second half of 1958 for a sector-by-sector, market-by-market dissection.



FRED D. BRADLEY

Bradley Elected District 2 V.P.

Dallas—Fred D. Bradley, purchasing agent and assistant treasurer of Southern Union Gas Co., has been elected vice president of District 2, National Association of Purchasing Agents.

Reelected in March as secretary-treasurer of the Purchasing Agents Association of Dallas, Bradley was president of the association in 1943. In 1954-55 he was chairman of the Public Utility Buyers' Group, N.A.P.A., and is presently a member of the group's executive committee.

Bradley has been with Southern Union since 1929, the utility company's first year of operation. He succeeds Richard C. Fast, Pan-American Petroleum Corp., Fort Worth, as District 2 vice president.

Hughes Elected Head Of Panhandle P.A.A.

Amarillo, Texas—R. B. Hughes was elected president of the Purchasing Agents Association of the Texas Panhandle at the group's April meeting. Hughes is associated with Phillips Petroleum Co.

Kenneth D. Reeves, Cabot Carbon Co., was named first vice president; J. D. Fraser, Morrow-Thomas Hardware Co., second vice president; Chester W. Henry, Celanese Corp. of America, secretary; and Morris G. Moreland, Clowe and Cowan, treasurer.

Barron Chapman of Southwestern Public Service Co. was elected national director, with B. W. Smith, also of Southwestern, named alternate. Directors are Louis Seewald, Western Light & Supply Co.; N. L. Abraham, General Office Supply Co.; Marshall Rhea, Marsh Electrical Supply Co.; and Jack D. Cooper, Beacon Supply Co.

Speaker Discusses Pharmaceutical Buying

Richmond, Ind.—Ivan Klingaman, executive director of purchasing for the Eli Lilly Co., Indianapolis, Ind., gave the in's and out's of pharmaceutical purchasing at the Eastern Indiana Purchasing Agents Association's April meeting.

Klingaman told the P.A.'s that the long range planning required in this field involves problems of procuring material from all over the world. He said Lilly also is dependent upon agricultural commodities and their effect upon livestock in the U. S.

Lima P.A.'s Air Buying Problem

Lima, Ohio—Among the tough purchasing problems tackled by members of the Lima P.A. Association at their April 16 "Question-and-Answer" meeting was the question of when to make and when to buy.

The majority agreed that the make or buy decision hinges heavily on the purchasing agent's knowledge of true internal manufacturing costs. Another factor considered is whether a make-decision results in a layoff of a valued employee.

The effectiveness of a purchasing department manual was also thrashed out. The members, only three of whom used such a manual, felt that a general policy and practices outline would be the more practical, needing less revision to keep up to date than a procedures manual.

Concerning the question of how many quotes should be required, the Lima P.A.'s decided that keener competition today gives the purchaser a chance to ask for more bids and he should take advantage of the situation.

The importance of the value analysis team for the small organization was also discussed. It was agreed that small companies, although not having the formal value analysis teams that the big ones have, still use the same practices with good results.

Cole Named Chairman Of E.E.I. Buying Unit

Minneapolis—George H. Cole, manager of purchases for Alabama Power Co., was elected chairman of the Edison Electric Institute Purchasing and Stores Committee at the annual meeting of the group here April 27-30.

Cole served as vice president of the National Association of Purchasing Agents in 1944-45 and was N.A.P.A. District 7 chairman of education for several years.

In 1957, a book of 154 editorials written by him for The Alabama Purchaser was published by the Purchasing Agents Association of Alabama (see review P.W., Jan. 6, p. 10).

Reynolds Metals' Cutback Reaches 15% Level

Portland, Ore.—Reynolds Metals Co.'s gradual production cutback at its Longview, Wash., and Troutdale, Ore. reduction plants, begun the middle of April, reached a total of 15% May 1.

The cutback was accomplished by day-to-day reduction of interruptible power supply from Bonneville Power Administration to a total reduction of 48,300 kw.

Editor Reviews 1958 For Detroit P.A.A.

Detroit—Dr. Heinz E. Luedicke, editor of the Journal of Commerce, took "Another Look at 1958" for the benefit of the Detroit Purchasing Agents Association at their April 24 meeting.

Dr. Luedicke doesn't think the bottom of the recession has been reached yet, but he expects an upturn to start by the end of the year.



Tantalum Capacitors Cheaper; Supply Up

New York—The price of tantalum capacitors is dropping rapidly and supply is no longer a factor in delivery, David B. Peck, Sprague Electric's special products division manager, told members of the Purchasing Agents Association of the Radio, TV, and Electronics Industries at their April meeting.

Peck (fourth from left in photo) discussed the technical advantages of tantalum over aluminum capacitors in his review of the industry. Shown above with Peck are the New York-New Jersey association's new officers left to right, Arnold Sutta, Emerson Radio, recording secretary; Abraham Weissman, of Emerson, president; Bernard Loew, Adams Labs, vice president; and Abraham Schneiderman, of Olympic, treasurer.

Fort Worth P.A.A. Reelects Officers

Fort Worth, Tex.—The Purchasing Agents Association of Fort Worth has reelected its 1957 slate of officers for next year.

The resignation several months ago of President J. M. Appleman before his term was up caused the association to move up its officers to the next higher positions. The membership then felt that each should be allowed to serve a full term in his new position.

Thus John D. Lively, Gulf Oil Corp., was reelected president; Charles R. Schuler, Convair-Fort Worth, 1st vice president; B. O. Lange, Tarrant County, 2nd vice president; and S. J. Johnston, Acme Brick Co., secretary-treasurer.

J. A. Randolph, Service Engineers, Inc., was elected national director and Don Thompson, Pangburn Co., alternate national director. S. O. Hughes, Container Corp. of America; Aubrey D. Morgan, Panther Oil and Grease Mfg. Co., were reelected as directors.

A panel and question program on electronic data processes and automation followed.

British Board Seeks Free Entry of Minerals

London—An application for exemption from import duty is being considered by the Board of Trade on calcium-silicon, calcium-manganese-silicon, and silicon-manganese-zirconium.

These products are used by steel makers instead of ferro-silicon, already on the free list, for deoxidizing steel used in electrical sheet. They also are used in production of certain high-grade iron and steel castings, and for pyrotechnic purposes. As defined by the Board, the products are:

- Calcium-silicon containing not less than 20% calcium, not less than 55% silicon, and not more than 5% aluminum, balance mainly iron.

- Calcium-manganese-silicon containing not less than 15% calcium, not less than 8% manganese, and not less than 50%

silicon, balance mainly iron.

- Silicon-manganese-zirconium containing not less than 55% silicon, not less than 4% manganese, and not less than 4% zirconium, balance mainly iron.

Goodyear Researchers Develop Plastic Film

New Kensington, Pa.—Videne A, a new plastic laminating film developed by Goodyear Tire & Rubber Co., has been found useful in aluminum packaging and decorative applications. Alcoa Research Laboratories has successfully applied the new film to a variety of aluminum products, including foil.

Described as a thermoplastic film with built-in adhesive, Videne is almost water-clear, and has exceptional abrasion, chemical, and aging resistance. It can be applied directly to aluminum under heat and pressure, without adhesives.

Aluminum laminates using Videne can be drawn or formed, and can be used as outdoor sheeting, wall panels, and for interior and exterior automotive trim.

Experimental work by Alcoa indicates that Videne-foil combinations produce a protective, decorative, heat-sealable material with promise as a wrap for liquids, food, and textiles.

Construction Laborers Settle Boston Strike

Boston—A 22-day strike by 5,000 Greater Boston construction laborers ended April 24 with agreement on a 3-year contract providing wage increases totaling 30¢ an hour.

The pact provides for a 10¢ raise effective immediately, 5¢ an hour on Oct. 15, a 5¢ increase effective April 1, 1959, plus 3¢ to their health and welfare fund, and a 10¢ increase effective May 1, 1960.

With the immediate 10¢ increase, the laborers will receive \$2.55 an hour and at the end of the 3-year period will be receiving \$2.75 an hour.

The strike had tied up building construction in 52 cities and towns.

Coal Total Near U.S., Reds Say

New York—Using modern methods and giving top priority to mining, Russia is catching up to the United States in coal production, reports Coal Age, McGraw-Hill publication.

Last year, the Russians scooped about 509 million tons of coal, while the United States netted around 514 million. The Russians claim that by the end of 1958 they should be producing 535 million tons of coal while the U. S. will turn out only 460 million.

Since 1952, Russia's coal production has jumped at an average close to 10% a year while the United States' production has averaged an increase of only 1/2%. What's more, America's coal production sank about 2.7% in 1957 from the 1956 level. Experts assert, that if the trend continues, Soviet coal production will shoot ahead of the United States for the first time in modern history.

The USSR, it is reported, extracts 15 metric tons of coal every second, or more than the combined yield of Great Britain, France, India and Japan. Almost 30% of this coal is lignite as compared to 1% lignite in the United States' tonnage.

Russia estimates its reserves to be around 8,000 million metric tons, claiming it has the coal-richest belly in the world. Recently, the Russians announced that in the Lena Basin alone in eastern Siberia there are two and one-half times greater coal reserves than in the rest of the world.

Use Canadian Engineers Dominion Groups Urge

Toronto—A "Buy Canadian—keep Canadians working" campaign which is expected to cut into imports from the United States, may also swing the axe in the direction of U. S. engineers.

Both the Association of Professional Engineers and the Association of Consulting Engineers of Canada admit they are worried over the "growing domination of U. S. engineers in Canada's economy."

Lt. Col. T. M. Medland, executive director of A.P.E. warned that the migration of these American workers is being "watched very closely. We feel the situation could become serious if we don't take some action to prevent it," he added.

Present legislation, rarely enforced, permits U. S. technicians to be stopped at the border. Purpose of the legislation was to keep U. S. engineers and others out of the country in recession times.

Another sore spot which may get attention here because of the business downturn is the duty-free importing into Canada of blueprints and plans. Canadian engineers complain they must pay to take blueprints to the U.S.

P.A.'s Take Plant Tour

Glens Falls, N. Y.—The Purchasing Agents Association of Eastern New York toured the Finch Pruyn Co. plant here April 17.

Foreign Perspective

MAY 5-11

Paris—Talks between NATO nations and Japan over trade rules with the Soviet Bloc have now reached the midmark, with agreement on a new and more liberal scheme expected by July.

Negotiations are going on within the so-called COCOM group (A NATO trade group consisting of all NATO nations less Iceland and plus Japan).

Japan, England and France are sparking the drive for more liberal rules. Their aim: a shortened embargo list and a simplification of COCOM procedures.

While new COCOM trading rules may spell increased business for other nations' exporters, U.S. traders probably won't share in the expansion.

This is because COCOM rules represent a minimum set of East-West trading regulations.

Individual nations are free to impose even stricter export rules—and the U.S. often does.

Last summer, for example, the so-called "China differential" (under which NATO's trading rules with Red China were stricter than with the Soviet Bloc) was wiped out. The U.S. nevertheless continued to maintain a complete embargo on U.S. goods to Red China.

Moscow—Tass, the official Russian news agency, is again making some startling claims about Russian production.

In a new report, just released, the Agency claims a big 11% year-to-year gain in Russian output for first quarter 1958. The Reds are also quick to point out that U.S. output showed a 10% drop over the comparable period.

If true, it could mean Russia is making big strides in closing the East-West production gap.

Tass cites the following selected output figures for the first quarter 1958 (in million tons): pig iron 9.5; steel 13.3; rolled steel 10.6; steel tubes 1.1; coal 123; coke coal 12.4; iron ore 21.1; crude oil 26.3.

The transportation industry produced 128,000 motor vehicles, 53,400 tractors, and 26,900 harvester threshers.

The Soviet textile industry produced 1.53 billion yards cotton cloth, 80.9 million yards wool cloth, and 130 million yards silk cloth.

Some 87 million pairs of leather shoes and 219,000 television sets were also produced.

Bonn—The first signs of an industrial slowdown are being reported by West German officials.

The index of industrial production (1936 = 100) decreased from 221 in February to 219 in March—a drop of 0.6%.

This compared with an average raise of 3.1% from February to March during the last 6 years.

Officials, here, are also bothered about drop in world lead and zinc prices. **After last year's international price fall, world prices are now nearly 30% below German cost.**

Proposed aid measures are now being discussed by the Economic Committee of the Lower House. They include state credits to the mines and tax relief. Some experts even advocate the closing down of some unprofitable mines.

Milan—Cooperation among international automobile producers is one tangible result of the European Common Market.

Ultimate aim is the duty-free distribution of all European makes throughout the European common market area.

The latest move involves an agreement between the Alfa Romeo works, Milano, and Neckarsulmer Strickmaschinen Union Werke Ag., near Stuttgart.

The contract calls for reciprocal distribution of automobiles in both countries. NSU will handle the Italian make, and Alfa Romeo will sell the NSU's new baby car, "Prinz."

London—Prime Minister MacMillan is reportedly urging the establishment of a Commonwealth bank organization—similar to the World Bank or the International Monetary Fund.

The establishment of this Commonwealth Bank scheme is one of "a number of possibilities" being studied by the British Government in preparation for the Commonwealth Economic Conference to be held this September in Montreal.

This project certainly ties up with known British official anxiety concerning possibility of a dollar liquidity crisis in the fall.

One principal aim of the Commonwealth Bank scheme may be to induce the U.S. Administration to support the pound sterling. America could do this through backing standby credits from the International Monetary Fund for emergency use—or through a straight dollar loan.



PORT OF NEW YORK AUTHORITY gets boost from Gov. Robert B. Meyner, New Jersey, who is visiting London and Amsterdam. Left to right are Harold Watkinson, British Minister of Transport and Civil Aviation; Donald V. Lowe, chairman of the Port Authority; Meyner; and Lord Mills, British Minister of Power, after meeting held at London.

N.Y. Port Authority Starts Selling Advantages to European Shippers

Luncheon for 500 Guests Opens London Branch; Other Trade Development Office Opened in Zurich

London—The Port of New York has set up two more advance outposts overseas in a big campaign to win new business from European shippers.

New York Port Authority officials formally opened a new London trade development office April 24 with a luncheon here for 500 guests, including the British Ministers of Transport and Power.

The London office and another in Zurich, Switzerland, are part of a major push by New York to increase—in the face of greater competition from other U.S. East Coast ports—its already large percentage of traffic to and from European shippers.

Europeans, inclined to take what they were offered in the immediate postwar years, have become increasingly selective as their economies have strengthened. That's why the New York Port Authority is trying to do a better selling job. The degree of success should prove of interest to American firms depending on European sources of supply because of land shipping arrangements which must be made after delivery at the port.

Donald V. Lowe, N. Y. Port Authority chairman, visited London with a party of other Authority officials in the course of a six-week, 18-nation tour ending May 1 in Amsterdam. New Jersey Gov. Robert Meyner also

joined the London office luncheon party.

Lowe pointed out at a press conference preceding the luncheon that in 1956—the latest year for which figures are available—over 16% of the export-import general cargo between the U.K. and the U.S. passed through New York. Dollar valuation was \$260 million—38% of the total trade between the two countries.

The London office is prepared to answer detailed questions of British shippers on use of the port—including advice on docks, forwarders, storage facilities. Its manager, Charles S. Devoy, will spend a large part of his time knocking on doors of potential port users.

The London luncheon was the first of a series of kick-off affairs in major cities of the U.K.

The Authority has had one overseas office, in Rio de Janeiro, for the past six years. Success there in promoting Latin American traffic through New York encouraged establishment of the European offices, Lowe said.

The London office will cover the U.K., Norway, Sweden, Spain, and Portugal. The Zurich office will cover the remainder of Europe. Both have been in partial operation for about six weeks.

The Port of New York Authority is the only U.S. port with a British office.

Greek Shipping Magnate Says Freight Rate Recovery Due in '60

London—Tanker king Stavros Niarchos believes it is unlikely that freight rates will recover before 1960, and even then "it will not be a boom."

The Greek shipping magnate told London's Financial Times he already has laid up 15 T-2 tankers and three or four Liberty ships.

"I am not optimistic about any improvement before 1960," he said. "Many oil companies are running the ships they have on charter while laying up their own tankers. That is one factor against any improvement in freight rates."

Niarchos said ship owners want to believe the beginning of

the end of the recession will come by the end of 1958 and the bottom of the freight market should be felt in early 1959.

"But many oil companies think it may well be 1960 before rates recover," he said. "Even so, it will not be a boom. But if there is no recovery in the rates by 1960, the situation will be serious."

The Greek independent said he was opposed to a recently proposed freight stabilization scheme for the time being.

"I am in favor of letting things go on for another year," he said. "The only way you will get a healthy situation is by eliminating old and uneconomic tonnage. Otherwise, it will be just like the original 'tanker pool.'"

"There will be some ships which never operate and still collect enough to give their owners a profit. What a new tanker pool would mean is that the modern tankers would be penalized to support the old tankers."

Niarchos added that a stabilization scheme now also would mean that speculative owners would not cancel any orders for ships to be delivered after 1960.

Asked how independents are faring in the present freight rate situation, the shipping magnate said: "I know two independent owners who have their fleets 100% covered on charters—better covered than mine. And there are some long-term charters that run until 1975."

"Generally speaking, most of the independents are all right. The only ones who are not in such a good position are those who rushed in with new orders after Suez in the expectation that high rates would continue for two or three years. After all, no one expected this collapse in rates."

Italians Report Jump In Iron, Steel Output

Milan—Italian iron and steel output took an upward swing to 715,000 tons in March. Close to 545,000 tons of steel was produced, 35,000 tons more than February, although 26,000 tons less than March last year. Iron output was up 22,000 tons over February, 8,000 tons more than March 1957.

First quarter figures show steel production at 1.631 million tons, 11,000 tons less than first quarter 1957. But iron output at 475,000 tons was 14,000 tons more than first quarter 1957.

Canada's Jobless Total Climbs to 590,000

Ottawa—Canada's jobless total climbed to a record 590,000 persons in mid-March which meant one of every 10 in the labor force was without a job, the government reported last week.

The Bureau of Statistics survey showed the rise almost equalled the expansion of the labor force, which rose by 38,000 to 5,907,000.

Middle East Trip Set

London—The chief of Britain's Board of Trade plans a lengthy trip to the Middle East this spring to drum up business with Arab countries. J. K. Vaughan-Morgan will visit Iraq, Iran, Lebanon, and Persian Gulf areas during May and June.

Fast Depreciation On Tools Sought

Cleveland—Revision of the government's depreciation policies on machine tools and other production equipment is being urged as an anti-recession measure by A. V. Bodine, president, National Machine Tool Builders Association.

In a letter to Treasury Secretary Robert B. Anderson, Bodine asserted that a major contributing factor in the recession is the "restrictive" depreciation policies of the Internal Revenue Service that tend to discourage capital investment.

"Manufacturers will not invest in productive equipment either to modernize or expand if they have to wait 15 to 25 years to recoup their investment," Bodine said. "Significantly, the recent capital goods recession followed immediately on the heels of the 1957 Byrd Amendment which virtually eliminated five-year write-offs of capital expenditures for tax purposes and relegated manufacturers to the old physical lives of Bulletin F."

Bodine, president and treasurer of the Bodine Corp., Bridgeport, Conn., urged:

- A short term anti-recession measure calling for five-year amortization to be made available to all purchasers of machine tools and other productive equipment purchased between Jan. 1, 1958 and June 30, 1959.

- As a permanent measure, the scrapping of the "outmoded useful lives for depreciable assets embodied in Bulletin F, the antiquated Bulletin F system of deciding useful lives on an asset-by-asset basis, and the unfair burden of proof placed on the taxpayer. In their place, the Treasury should accept the bracket approach" previously recommended by the association.

Under the bracket approach, depreciable assets would be divided into broad classifications with an allowable useful life established for each class. The lives established under this system would be "shorter and more realistic" than the 15, 20, and 25-year spans listed in Bulletin F, Bodine stated.

Buick Seeking Out 1906 P.A. Applicant

Detroit—The Buick Division of General Motors would like to apologize to a lady whose application for a job in its purchasing department was lost for almost 52 years.

A letter mailed at Jackson, Michigan, 87 miles from the company's Flint headquarters, was received the other day with a job application from a woman who gave a Jackson address. The envelope was delivered with an official routing slip stating it had been found in the Post Office department's lock box section at Chicago.

The letter was post marked August 9, 1906, three years after Buick was founded and two years before it became a part of General Motors. Buick purchasing officials checked to see if the woman was still interested, but she must have tired of waiting. There was no longer a record of her in Jackson.

Douglas Fir Lumber Tags Show Strength

Portland, Ore.—Prices for Douglas Fir Lumber continued showing strength here at Northwest mills. Cutbacks on Canadian shipments plus anticipated demand increase are reported to be responsible for the upturn in lumber prices.

The Canadian cutbacks are due to the annual spring "ice break-up." This "break-up" occurs in British Columbia when the spring thaw prevents many mills from shipping lumber south to the U. S.

The price rises during the last

weeks have been the sharpest in 13 months. Green Fir two-by-fours are now quoted at \$59 per thousand board feet. This represents an increase of \$4 in the last month, but still leaves the price \$6 below last year at this time.

Industry spokesmen indicate that there is widespread feeling that the upturn in home and commercial building, in many parts of the country, is just around the corner. Certain public construction, like school jobs, already have shown signs of pickup in the past few weeks.

Ike, Congress Plan Small Business Aid

Washington—The Administration and Congressional leaders are coming to agreement on a plan to set up a capital bank agency to help small business.

The question that William McC. Martin, chairman of the Federal Reserve Board, Senate Leader Lyndon Johnson, House Speaker Sam Rayburn, and President Eisenhower are now working on is not whether to do it, but how.

The White House is behind legislation that would give the

job to the Small Business Administration. Sen. Johnson's bill would create a new agency to administer a program that would involve both government and private financing.

The two ideas also differ in that the Administration proposal calls for an initial appropriation by Congress of \$220 million, while the Johnson bill would empower the Treasury to issue up to \$250 million in bonds.

In either approach, the money would be used to make loans to or invest in small business investment companies or associations, with limitations on the federal investment.

WAGNER ELECTRIC MOTORS...THE CHOICE OF LEADERS IN INDUSTRY

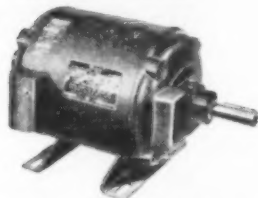
Reduce Down Time - Power your Equipment with Dependable Wagner Motors

Sixty-six years of experience goes into the building of Wagner Motors. Their reputation for reliability, their electrical characteristics, price and prompt delivery make them a sound choice for your equipment.

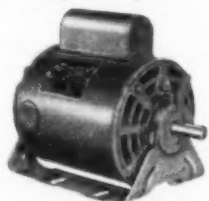
Whatever your motor requirements may be—single-phase or polyphase... 1/8 or 500 horsepower—Wagner can offer a standard motor that is entirely dependable in its specific application. A few of the many motors in the Wagner line are shown below.

FRACTIONAL HP

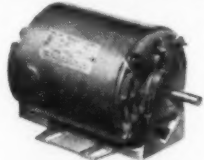
SINGLE-PHASE



Repulsion-start induction, for heavy duty service. High starting torque, low starting current. 1/2 and 3/4 hp, rigid base, sleeve or ball bearings. Also built in integral hp ratings through 15 hp.



Capacitor-start, for general purpose applications. High starting torque, normal starting current. 1/2 through 3/4 hp, rigid or resilient base, sleeve or ball bearings. Also built in integral hp ratings through 5 hp.



Split-phase, for easy to start applications. 1/8, 1/4 and 1/2 hp, resilient base, sleeve bearings.

POLYPHASE SQUIRREL-CAGE



For general purpose applications. Normal starting torque. 1/2 through 3/4 hp, rigid base, sleeve or ball bearings.

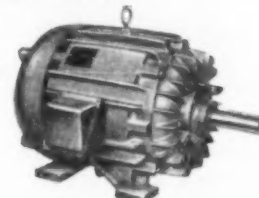
INTEGRAL HP

POLYPHASE SQUIRREL-CAGE

NEMA FRAMES
182 THROUGH 445U

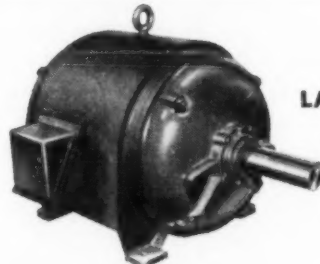


Drip-proof, 1 through 125 hp, rigid base, sleeve or ball bearings.

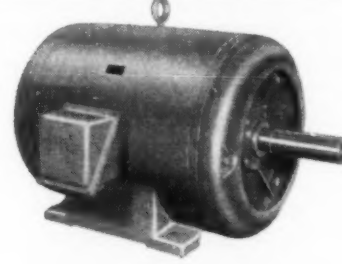


Totally enclosed, standard and explosion-proof, 1 through 100 hp, rigid base, ball bearings.

FRAMES
LARGER THAN
445U



Drip-proof, 15 through 500 horsepower, rigid base, sleeve or ball bearings.



Totally enclosed, standard and explosion-proof, 125 through 250 hp, rigid base, ball bearings.

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In addition to a complete line of standard motors, Wagner also furnishes Increment Type Motor and Starter Combinations... Wound Rotor Polyphase Motors... Jet Pump Motors... Vertical and Flange Mounted Motors... Hermetic Motors... Gear Motors and Direct-Current Motors. Consult the nearest of our 32 branch offices, or mail coupon today for full information on the complete Wagner line.

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TWEZERS AND MAGNIFYING GLASS are necessary in handling tiny jewels. Small pile in front of operator may contain over a thousand.

Industrial Jewel Bearings					
Name	Endstones	Bar Hole	Instrument Ring	Vee	Cup
Shape					
Used for	Thrust bearing with another jewel bearing	Journal bearings for pivots	Vertical operation	Confining side play of conical pivot	Minimum friction
Used in	Chronometers	Watches	Inertial guidance Gages, Clocks Aircraft inst. Electrical inst.	Exposure meters Cameras Parking meters Watt-hr meters	Compasses Electric meters
Typical outside diameters	0.035 to 0.10 inches				
Relative Cost	1:	3:	6:	6:	6:

Jewel Bearings Play Big Part In Industry; Use Growing Steadily

Most Are Imported, but Factory at Rolla, N. D., Is Providing Base and Skilled Workers to Expand American Production if Needed

Most P.A.'s probably think only of watches when jewel bearings are mentioned. But the use of sapphire, the most common jewel bearing, in industry extends from aviation to textiles.

Sapphire bearings are used in sextants, compasses, flowmeters, cameras, gyroscopes, and many instruments besides watches and chronometers. Thread guides, dies, spacers, and other wear surfaces are other applications that make use of sapphire's other advantages—low friction, non-magnetic, chemically inert, high compressive strength and high melting point.

Use of jewel bearings is bound to increase. For many rotation problems they are the only satisfactory answer. With their

smooth, hard surfaces polished to perfection, jewel bearings reduce the wear in delicate instruments better than any other material. Next to diamonds, sapphire is the hardest material available—the same material found on aluminum-oxide "sandpaper".

Several things have kept this growing use of jewel bearings under wraps. Reluctance to discuss the national shortage of production facilities and secrecy surrounding their production in Switzerland are two. Switzerland is the free world's principal source of jewel bearings for both watches and industrial uses, with a very few coming from Italy and the United Kingdom. The Swiss production of industrial jewel bearings is concentrated in 12

plants, with just four producing 80% of the output.

This small number of suppliers means that Switzerland controls the production of the world's industrial jewel bearings. No other country seems economically able to challenge its tightly held industrial know-how. Although several companies in this country can produce jewel bearings, they cannot meet the low production cost in Switzerland.

According to British experts who recently toured Russia, however, that country is now manufacturing 200 million jewel bearings a year—70 times the production rate of this country's single plant at Rolla, N. D., the government plant set up in 1952.

War Stressed Dependence

Our utter dependency on Switzerland was emphasized during the early days of World War II, with the fall of France in 1940. Some jewel bearings reached this country through smuggling, but not enough. By January 1942 when they were placed under complete allocation, steps were under way to produce bearings in this country. By mid-1943 several plants were in mass production, supplying producers of fire-control equipment and essential navigation aids. Then when a shortage developed in jewels for military timepieces the same production facilities were able to swing over to their production.

But with the war over, the jewel bearing plants were discontinued, unable to compete with the low-wage, highly skilled craftsmen in Switzerland. Within a year the new industry was in mothballs.

The outbreak of the Korean conflict again pointed up the perilous position of this coun-

try's need for jewel bearings. Rapid advances in instrument and fire-control technology had made many of the stock-piled jewel bearings obsolete. The government, recognizing this vulnerability in 1952, established the domestic standby facilities at Rolla to serve as a training ground for future technicians and workers in this growing field.

Although the plant at Rolla is equipped to produce only 5% of this country's normal need of jewel bearings, it does serve as a prototype for similar plants throughout the country.

Though the Indian-operated plant at Rolla cannot make jewel bearings as cheaply as Switzerland, it can produce special items needed in the expanding missile and instrument fields.

This was emphasized in 1954 in the development of a gyroscope for defense missiles. Bearing tolerances for a gyro developed by Dr. C. S. Draper at Massachusetts Institute of Technology were close—less than half a micron (20 millionths of an inch) for the center hole. The outside of this special jewel bearing measured less than 1½ mm.

The Bulova-operated plant in North Dakota was able to produce to this fine tolerance. As Dr. C. S. Draper testified before an O.D.M. hearing later, "Produc-

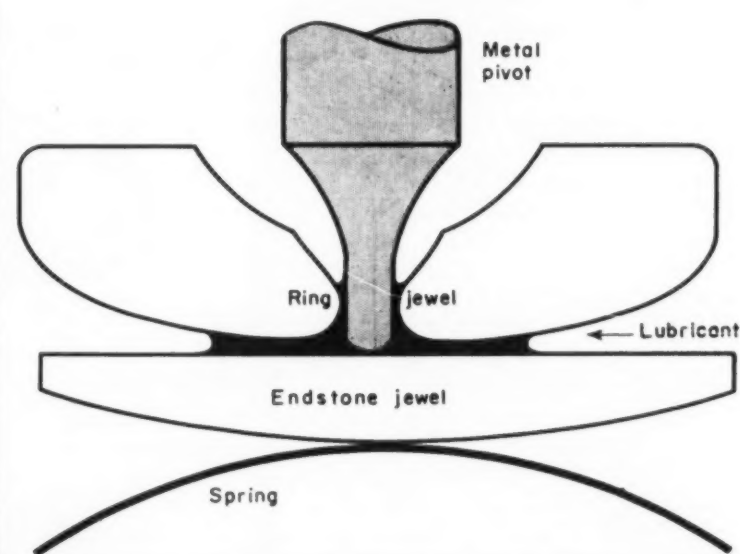
tion of this jewel bearing for tiny gyro motors opened up new operational possibilities that had not been thought feasible." Along with solid fuel, this addition to missile technology permitted the development of a missile with guidance equipment that could run for a full year.

The ability of the standby facility at Rolla to produce to these specifications should encourage wider use of jewel bearings in improved instruments. Industrial designers may be able to take advantage of the outstanding characteristics of synthetic sapphire, knowing that such bearings can be produced in this country. Able to withstand compressive loads of over 250,000 lb./sq. in., sapphire can accept the increased pressure of miniaturized rotors of the space age.

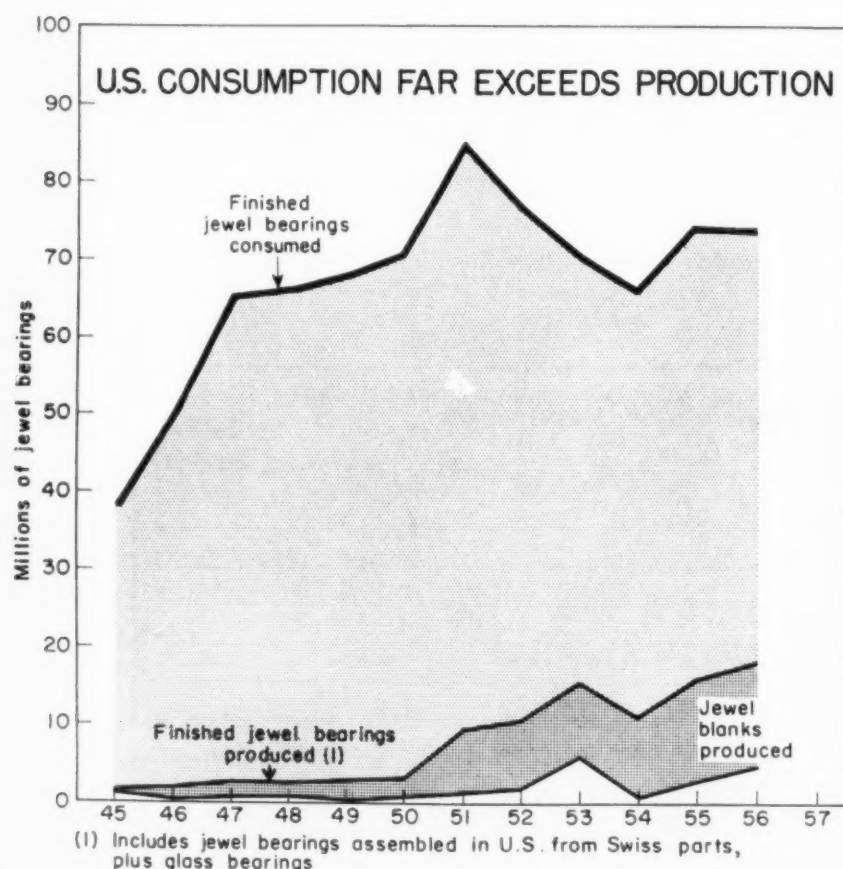
But the extreme hardness of sapphire also creates special problems in the production of jewel bearings. The only material which can form sapphire jewel bearings into the required contours and shapes (see Table) is diamond dust. Coupled with the troublesome diamond contamination problem are the fine tolerances and extremely small sizes produced. These factors suggest that this is one activity which may defy automation.

Production of jewel bearings

TYPICAL JEWEL BEARING ASSEMBLY



FEW USERS OF JEWEL BEARINGS ever get such a clear picture of them. This clearly labeled drawing makes it easy to understand assembly.



Jewel Bearing Monopoly in Hands of Chippewas

When it comes to making jewel bearings, the Chippewa Indians hold an American monopoly. They operate, under non-Indian supervision, the only jewel bearing plant in the United States, located at Rolla, N. D.

These Indians come from the nearby Turtle Mountain Reservation. Experts say they have the native intelligence, better-than-average eyesight, excellent muscular coordination, and the inherent patience that working with the hard, minute jewels requires.

The plant can produce about 4 million bearings a year. This is a nucleus upon which to build if shipments of foreign bearings are ever cut off. In several emergencies the plant staff has performed unusually well.

is a unique hand production, requiring up to 70 operations before the initial raw material (boule or rod) becomes the final jewel bearing. Many of the final steps require a "feel" that defies description on paper. This is one reason why the heritage of generations of Swiss workers permits economical production.

Diamond Dust Shapes Jewels

The Rolla plant starts with jewel blanks cut from either rod or boule, supplied by Linde Air Products or from foreign sources. Most of the 40 subsequent operations use diamond dust, requiring constant machine resetttings. Drilling the initial center hole is actually an abrasion of the jewel with diamond powder, worked between a short piece of tungsten wire and the sapphire. The hole is then finished to specifications by rubbing fine wire charged with diamond dust back and forth. Actual contours and surfaces cannot be generated as in machining. They can only be simulated by abrasion. And the shape and dimensions cannot be measured or inspected satisfactorily until the sapphire is washed in boiling acid to remove oil and diamond powder.

Training the Indians at Rolla requires several months before they acquire the correct synapse—a set of nervous reflexes. As they cannot see what they are doing, this "feel" must be developed and relied upon. This is painstaking work. Initial yields during a new run of jewels bearings may be only 10%. A fully trained group will hit yields of 90%, a variable affecting production cost.

To produce 25,000 of one jewel may require 2,350 hours, 47,000 blanks, and 125 carats of diamond dust. The final cost of the jewel bearings may be 25¢ a piece, if produced in this country, against 15¢ if produced in Switzerland. For very short runs of special designs, the cost may run as high as \$4-\$5 per jewel bearing both here and abroad.

Operators Hard to Retrain

The relearning of the correct synapse by the operator is one reason for this cost. An effective synapse is achieved only when an operator unlearns the old nervous pattern and acquires the right feel for manufacturing the new jewel. For this reason the best operator may be the hardest to retrain, another factor adding to the high cost of jewel bearings. One unique cost about jewel bearing production is that setup costs are in the operator, not the machines.

In old days, one operator would perform all operations on one jewel, turning out up to 100

jewel bearings per day. At Rolla, and in other modern plants, this has been replaced with batch production. This change over has increased production of the plant to 3,000 per day, with a reduction cost and greater uniformity of bearings.

Annual consumption of jewel bearings in this country are summarized in the chart on page 8. The largest number used by far are the 21 million ring jewels. Caps and endstones are next in importance. The total cost is about \$5 million.

Of the 75 million jewel bearings used last year in the United States, about 90% were made of synthetic sapphire and ruby. Both are corundum (Al₂O₃). The difference in color of ruby is due to chromium additives. Ruby is slightly softer than sapphire and may chip easier. The advantage of ruby is in the easier inspection of its colored surfaces.

In addition to ruby and sapphire, some vee jewels are made of special glass which can be used when the supported weight is less than 1 gram.

Jewel Substitutes Sought

A search for substitute materials which can be formed easier is underway. Carbides and plastics are some of the possibilities. For long, trouble-free life, nothing yet matches sapphire for jewel bearings. Despite its hardness and compressive strength though, sapphire cannot be run dry. The need for lubrication is one reason why odd contours are required in producing these industrial jewels.

Until more easily produced materials are available, the growing guided missile industry, as well as the expanding precision instrument field, can be backstopped by the Rolla plant for sapphire jewel bearings. The plant has now operated enough to justify the creation of this standby facility for emergencies. It contains the only group of trained people in this country skilled in jewel bearing manufacturing techniques.

Tung Nut Imports Tied To Tung Oil Quota

Washington—President Eisenhower last week ordered the import of tung nuts limited to the quota on tung oil imports set last September by the U.S. Tariff Commission.

The President acted on the Commission's advice that importation of tung nuts threatened to interfere materially or render ineffective the Agriculture Department's price support program for domestic tung nuts and oil. The oil is used by the paint and chemical industry.

N. Y., N. J. Unite Against Army Running Seaway

New York—The New York-New Jersey Committee for a Self-Supporting Seaway has joined a national movement urging Congress to reject the bid of the Army Corps of Engineers to operate the St. Lawrence Seaway.

The committee, representing 41 public and civic organizations, accused the Corps of Engineers of aiding an attempt to make the Seaway toll-free in defiance of Federal legislation requiring that it be a self-supporting waterway.

James W. Danahy, committee chairman, said the Army bid attempted "to chisel away the self-supporting features of the waterway required by legislation already enacted."

In a letter to the House Appropriations Committee, the New York-New Jersey group also urged approval of the St. Lawrence Seaway Corp.'s estimated administrative expenses—\$440,000—for the next fiscal year. The money would be advanced by the Treasury and later be reimbursed from seaway tolls.

Surplus Dealers to Stage 'Auction Sale' at Show

New York—A special "auction sale" feature at the Institute of Surplus Dealers' Fall Trade Show here August 17-19 is expected to attract bargain-hunting P.A.'s.

The show, to be held in the New York Trade Show Building, will feature exhibits of dealers in both hard and soft goods, including government surplus material and idle inventories of private industry.

All exhibitors will be invited to put aside special lots of desirable merchandise to be auctioned off at the close of each day.

Exhibition space can be reserved by contacting Fred Reder, business manager, Institute of Surplus Dealers, 673 Broadway, New York 12, N. Y.

Chicago & North Western To Sell Mineral Mud

Chicago—The Chicago & North Western Ry. Co., striving to find new sources of income, is offering to sell some of the gray "mud" that it owns in the South Dakota badlands.

The mud, which the railroad

will package in paper bags, is clay mineral montmorillonite, or bentonite. Chicago & North Western estimates it has 30 million tons in one reserve alone.

Currently about 80% of this type of clay winds up as oil well drilling mud and much of the remainder as a binder for molding sands. The railroad says the mud can be used as a binder in making taconite pellets, or may be useful for sealing irrigation ditches.

Special Ships to Carry Liquid Methane Gas

New York—Petroleum gases will soon be traveling on the high seas, according to "Chemical Engineering," a McGraw-Hill publication.

U. S. and British interests have joined in an experimental project to move liquid methane across the Atlantic in special ships which can refrigerate methane and propane to liquid form. Another combine plans to transport liquid propane from the Persian Gulf to Germany.

The special 714-ft. long ships will have six nickel steel tanks with a combined capacity of 25,000 tons of liquid propane.

Another firm is building shipboard tanks with a 2,100 ton capacity for methane, made of aluminum jacketed with 12 in. of laminated balsa wood.

West Coast Will Get Integrated Port Terminal

San Francisco—McGuire Chemical Co. is completing negotiations to inaugurate the West Coast's first integrated deep water terminal, processing, and packaging plant to be run on a contract basis.

The facilities, in the Port of Oakland outer harbor on San Francisco Bay, will be in operation by June 1, the company says.

Port authorities are giving McGuire a 20-year lease on a pier and 200,000 sq. ft. of adjacent open area. The chemical firm will move all operations from its present facility in Oakland, served only by rail, to the new center where both rail and water shipments can be received.

Less than a year ago, McGuire Terminal Co., subsidiary of McGuire Chemical, opened the west's first contract liquid petrochemical marine terminal at San Pedro in Southern California.

Alcoa Will Buy Back Screw Machine Scrap Up to 60% of Purchases

Pittsburgh, Pa.—Aluminum Co. of America plans to purchase self-generated turnings and borings from users of Alcoa aluminum screw machine stock.

Alcoa will buy such scrap in amounts not exceeding 60% of the customer's purchases from Alcoa, its distributors, or jobbers. The offer is restricted to screw machine stock in alloys 2011, 2017, 2024, and 6061.

Turnings and borings which customers elect to sell directly to Alcoa must be segregated, clean, dry, and in quantities of 20,000 lb. or more. Price is 16.5¢ per lb. loaded in cars or trucks, f.o.b. shipping point.

Alcoa-appointed collecting agents operating in major screw machine stock buying centers, will pay 15.5¢ a lb. on a segregated, clean, dry, weight basis for quantities less than 20,000 lb. Prices quoted are subject to change without notice.

Price Cuts Suggested As Recession Cure

Milwaukee—The current business recession is largely a pricing problem rather than a personal income problem, according to Harold L. Cheadle, senior economist of Federal Reserve Bank of Chicago.

"Businessmen ought to try cutting prices to see if lower prices will move more of their goods before they cut production and employment," Cheadle said at a U. S. Savings Bond luncheon at the Wisconsin Club here.

Cheadle labeled the belief that inflation is inevitable as "one of the most unwholesome attitudes in our economy." He said it would be much more difficult for businessmen to pass on increased costs to consumers in the future because the vast consumer demand of the postwar period has been largely satisfied.

"It's time to recognize that we can't depend on this deferred demand any longer. I think that both business and labor are going to be a lot more realistic about prices and costs in the future," Cheadle concluded.

Titanium Metals Corp. Cuts Mill Product Tag

New York—Titanium Metals Corp. of America has announced a new series of titanium mill product price reductions—the seventh initiated by the company since 1954.

Over-all base prices have been reduced by more than 10%. Some products—such as high-strength alloy plate and billet—in greatest demand by designers of jet engines, airframes, and missiles, were lowered by 20% to 30%.

Similar reductions were effected in commercially pure plate and billet material.

The price reductions, made possible through advances in mill processing techniques are aimed at broadening titanium's markets in aircraft, missile, and chemical applications.

Since 1954, prices of titanium mill products have been reduced by a total of about 45%.



"Only this morning, I tried out one of these new machines, Ed, and it's loaded with safety features!"

Purchasing Week

330 West 42nd St., New York 36, N. Y.

McGraw-Hill's National Newspaper of Purchasing

Print Order This Issue 27,740

The Right Level Is His Level

"Why doesn't somebody tell me these things?"

This question usually is asked jokingly but rarely is the intent in the same vein. No one likes to be uninformed when it comes to policy or news of operations. Frequently, we become so engrossed in a subject that we assume others understand the topic as well as we do.

This is particularly true in the field of purchasing. As a purchasing executive you have a communications responsibility, a problem that extends in many directions. The success of your operation depends on good communications with your fellow management men, with people within the purchasing department, with other departments, such as engineering, design, maintenance, etc., and with your suppliers.

By making sure top management knows what you are doing, how you are doing it, and why you are doing it, you can insure that any overall company decisions affecting purchases or purchasing will be made wisely.

By keeping purchasing personnel informed on the what, how, and very importantly, the why, you will have a built-in guarantee of cooperation.

By keeping informed as to the needs and goals of other departments, you will know what to recommend, when, and in what quantities.

By making sure your suppliers know of your needs and ambitions, you will have enlisted the widest possible aid in making plans come true.

It is a good idea to check periodically over your methods of communicating. Are they as effective now as when initiated? Do recipients think the information is as clearly presented as possible? Do the people involved in communications have any suggestions for improving these communications?

Setting up a system for communications and always keeping in mind that it is a two-way street, is the first step in any effective program. The second step is one of making certain that the system operates smoothly, and this usually means making a definite assignment so that it is not left to chance. Every once in a while we run into a situation where two individuals think it's the other fellow's job to keep a group informed. The result obviously is that neither does it and the lines of communication are broken down.

Once you have set up the program of who should be informed, and why, and by whom, there's only one remaining question—how to get a message across so that it is understood by all. It is impossible to tag along with very memo or report and interpret it for the recipient. You can't add an "I meant to say" in a memo. The surest way to avoid misunderstandings or double meanings in your reports is to limit yourself to simple words and construction.

Just as a salesman who calls on you tries to speak your language; so the purchasing executive who wants to be understood speaks the other fellow's language. When you are writing, reporting, or speaking to engineers, use engineering terms. But when addressing yourself to management men without an engineering background, make sure you are employing terms clearly understood by management men.

It is not a matter of speaking up to, or down to, any group or individual. It is simply a matter of speaking on the level that is best understood by the other fellow—His level.

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Your Follow-Up File

P.A.'s Are Usually Cooperative

Lima, Peru

A number of weeks back you carried an article regarding a firm which had incorporated requisitions and purchase orders in the same form ("Standardization in Purchasing Brings Benefits," March 3, page 18).

We are in the midst of trying to do the same but are running into a few snags. Do you think this firm would give us the benefit of seeing some of the actual forms in use?

Our main trouble lies in the fact that requisitions will usually cover items for a number of different suppliers. We are trying to weigh the economy of incorporating forms against making separate requisitions for different suppliers.

J. Sibila

Purchasing Agent
Cerro de Pasco Corp.

• We have no right to speak for this company. But you might try writing: Mr. Carl R. Roberts, Purchasing Agent, Great Western Sugar Co., P. O. Box 5308 Terminal Annex, Denver 17, Colorado.

We Like to Keep Our Word

New York, N. Y.

As a charter subscriber I have followed coverage in PURCHASING WEEK with great interest. I bought my subscription on the basis of the claims made in your prospectus and I must say that you have lived up to your claims—and more. This is just a note to say "keep up the good work."

I might add that you might give us a rap once in a while. Sincere criticism from an ally of purchasing can be very helpful.

D.B.J.

Learning Curve Article the Best

Coffeyville, Kan.

Your article in the March 31 issue on "Learning Curve Teaches Lesson for P.A.'s" (page 12) is one of the best defined explanations on learning curves that I have read. If possible, please send a dozen copies so that this article may be made available to my buyers and outside production follow-up men.

We have attempted on several occasions to use the learning curve in procurement, especially on outside production parts.

We also wish to take this opportunity to congratulate the staff of PUR-

CHASING WEEK on a very excellent job. We feel that this publication is by far the best and the most informative that has been made available.

R. B. Sullivan

Plant Purchasing Agent
Continental Can Co., Inc.

Here Is the Information Requested

Malvern, Ark.

I would like to know if you could tell me where I could obtain the full information concerning the National Materials Exposition, June 9-12, as listed in PURCHASING WEEK.

Clifford Young

Purchasing Agent
Malvern Brick & Tile Co.

• The exposition is being produced by Clapp & Poliak, Inc., 341 Madison Ave., New York, N. Y. In conjunction with this, the American Society of American Engineers is sponsoring its first National Conference on Materials Handling since 1949.

Company Gets Favorable Comments

Philadelphia, Pa.

The story on our vendor seminar ("G.E. Seminar Improves Buyer-Seller Teamwork," page 12) which appeared in the April 21 issue of PURCHASING WEEK has invoked many favorable comments. It developed a very interesting approach, and I hope that the idea may prove helpful to others who are faced with problems similar to ours.

C. E. Gulbran

Quality Assurance Engineering
Missile & Ordnance Systems
Department
General Electric Co.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously. Follow-Up File, PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . .

What qualities should a purchasing agent look for when hiring a new assistant or buyer?

Question from: J. P. Connolly, Purchasing Agent
Universal Winding Co., Providence, R. I.



R. W. Morse
Union Bag-Camp Paper Corp.
New York

"In hiring buyers, I believe it is important to find an energetic, courteous, and considerate person, with an inquisitive mind and an 'outgoing' personality. He should be willing to learn the technical aspects of the products or services he buys and the details of their use by his firm. Above all, the buyer should be forthright and honest."

W. H. Furst
Western Oil & Fuel Co.
Minneapolis, Minn.

"Thoroughness—since compilation and appraisal of information about a vendor and his product are the essence of good buying, this should be the primary characteristic. I believe a tactful, courteous interest in the vendor's representative and in the requisitioner is the strongest tool to use in achieving it. Add to these the ability and willingness to make a decision, and you have a buyer."



D. J. Yaeger
Thatcher Glass Mfg. Co., New York

"We would look for a man with: 1. Ability and desire to assume responsibility; 2. Ambition and ability to further that ambition; 3. Ability and desire to learn, both on the job and own; 4. Ability to work with and for others; 5. Reliability; 6. Loyalty to his company and his superiors, honesty in all dealings, fairness in his treatment of others. Secondly we would look for poise and appearance, since these can be developed."

E. R. Rhue
Wilmar Mfg. Co., Inc., Kansas City, Mo.

"Some of the primary qualities we expect in hiring a buyer are that he be familiar with electronic terms, components, and suppliers. Also, he should be a man of executive potential; have a general knowledge of economics; know as much about the materials he is going to buy as the salesman who is trying to sell him; have some background of business law; be able to write business letters; have strength of character and be tactful."



Martin Kogan
Lincoln Metal Products Corp.
Brooklyn, N. Y.

"Aside from being conscientious, aggressive, versatile, etc., I feel your new assistant should have the potential ability to evaluate situations and to arrive at proper decisions. I feel he should have a personable character with the ability to make people like him. He should be honest and sincere and, above all else, have a receptive mind with a willingness to learn."

C. E. Woods
The Brewster Co., Inc.
Shreveport, La.

"If I, as a purchasing agent, were selecting an assistant or a buyer I would look for the following qualities: honesty, integrity, loyalty, personality, and dependability. I would want a man with initiative and ability to make decisions with good judgment; a man that would always look for the best 'buy' (not just the best price) and at the same time be fair with all of his suppliers."



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Value Analysis Profitable Tool Only If All Profit, All Cooperate

By F. ALBERT HAYES, Consulting Editor, Purchasing Week



F. ALBERT HAYES, the author, is a consulting editor of Purchasing Week. He is a widely recognized authority on purchasing. A former president of N.A.P.A. and Shipman Medalist, he is a retired vice president of Bigelow-Sanford Carpet Co., New York office.

It's time for purchasing to take a new look at value analysis. Instead of hoarding it as a tool for itself, purchasing should recommend it as a tool for the entire company, preferably incorporating it as a part of materials management.

By selling value analysis as a tool for all departments, not just for its own, purchasing can offer bigger profits for the entire company. It will also avoid any criticism of empire building leveled at purchasing.

First the P.A. Must Know

But before the purchasing agent tries to sell value analysis as part of the bigger concept of materials management, he should know about what he is talking. He must know the relationship between the two, where value analysis properly fits into his company's organization, and how it should be used.

This is not easy. Value analysis has become a panacea for some P.A.'s, a popular cure-all for procurement problems. But to some it is just one more headache complicating relations between departments.

Sell It as a New Tool

However, if the P.A. can sell value analysis as a tool for the entire company, he will gain new stature in management's eyes as a team worker as well as receiving support from other departments for this tool.

So let's try to pin down what we mean by the term, for management will accept and back the idea of value analysis only if it can answer the questions:

- What is it?
- Who can use it?
- What does it cost?

WHAT IS IT?

In 1955 Stanley Miller, Harvard Graduate School of Business, defined value analysis as "a method of investigating materials requirements to ensure that performance, ultimate cost, and availability of supply are in proper balance."

And an N.A.P.A. manual, "Cutting Costs by Analyzing Values," defines it as "analyzing the price which must be paid for a product, process, idea, material, or service required to perform a useful function, whether it be sweeping the floor or holding mechanical parts in position."

In short, value analysis means examining every purchase for values beyond the price. For as R. E. Fontain, manager of Training and Specialty Services at General Electric stated, "The price paid must be the lowest which will provide a reliable func-

Value Analysis Brings Greater Values Through:

- | | |
|--|--|
| Better purchasing techniques. | Lower cost office operations. |
| Better suppliers. | Lower cost maintenance of buildings and equipment. |
| Design re-evaluation and modification. | Better packaging. |
| Better manufacturing methods. | Better materials handling. |
| Standardization. | Better inventory control. |
| Lower factory supply expense. | Better traffic operations. |

From N.A.P.A. manual, "Cutting Costs by Analyzing Values."

tion or service, with value determined by comparison."

The purpose of value analysis is cost reduction of purchased materials, finished products, or components to be achieved not only by negotiation concerning price, but equally to make all other elements of cost, including design, specifications, fabrication methods, etc., justify themselves as most suitable and needful. This is much more than a purchasing department can provide alone. It requires assistance from several departments.

WHO CAN USE IT?

Value analysis is not for everybody. Stanley Miller lists four important considerations for a firm planning to organize a Value Analysis Program:

1. Price competition in product market.

Which is the prime consideration in distribution: price or quality? He states, "Value analysis is practiced primarily as a tool to reduce manufacturing costs, but most engineers will see in it a threat to reduce quality."

2. Active bidding by suppliers.

"Can suppliers be found willing and capable of adapting themselves to customer's needs?"

3. Recurring items in materials list.

"Is the type and mix of materials, component parts, etc., such that a value analysis program is applicable and productive of results?"

4. Large production volume in plant.

"Is the volume large enough to justify the expense of an organized program of value analysis?"

These and other considerations determine the applicability of a value analysis program on an organized basis.

Value analysis is merely one means of cost reduction that makes sense when properly planned, organized, directed, coordinated, and controlled. It should be a by-product of management and not management itself.

But if it is a by-product of management, who is responsible for it? Manufacturing divisions

and research departments have searched for better values in new materials and methods for many years. They are apt to regard recently established purchasing departments as interlopers even though purchasing may have personnel capable of operating a value analysis program.

To prevent being indicted as an empire builder through claiming value analysis as its own, purchasing should make sure of two things. First is the company ready to adopt materials management as an overall procurement set-up capable of exploiting value analysis? Second is purchasing prepared with competent personnel to assist if it is adopted?

Efforts of purchasing and other departments should already be well integrated. If not, this should be the first thing to work on. If there is competition between individual departments for credit, the introduction of a program needing companywide cooperation will contribute little. It will only become another political football. But, if purchasing finds itself in a company where departments work together, the suggestion of a new management tool valuable for all will receive proper support.

Perhaps one of the best ways purchasing can push the proper use of value analysis is by encouraging the company to take a look at materials management. Although very few companies have this kind of set-up, many are now considering placing the responsibility for all material under one administrator. Big companies, like RCA and Ford, already have adopted this concept, but it can be valuable to the smaller company too.

Under the prod of competition more companies are finding that managing materials justifies a top administrator. A person in such a position on the company's organization chart can correlate and render more profitable all the functions of procurement, even though some of these may now be handled by separate departments.

Whether its administrator should come from purchasing is not the most important question,

even though such a choice might recognize the qualities available in a good director of purchasers. What is important is that the purchasing department be represented as part of any group that would handle value analysis under such a set-up. Purchasing is in a position to initiate original value analysis projects as well as contribute profitably to those initiated by other groups. Purchasing is a key factor in any successful company's value analysis program.

WHAT DOES IT COST?

The return-on-investment of value analysis, like any management program, varies with the amount of planning and correlation going into it. If materials management is already an accepted concept, then value analysis can reduce costs through the coordination already existing. But if it is still being fought over as the sole responsibility of different departments, then the cost is bound to exceed what it could be.

In many examples published to show how value analysis saved company dollars, cost reductions could have been secured sooner, and perhaps in greater amount, if the set-up for materials management had been present.

One of the most recent examples concerned a part for which the design and research engineers had contacted vendors without notice to the purchasing department. The "rush" requisition was issued with a supplier designated as "must," and there was no time to review specifications.

The buyer finally caught up with the circumstances and actual needs. Instead of a part which had to be machined all over, he was able to secure a nearly finished part from another vendor

at a very substantial reduction in over-all cost. To my mind, this is an example of what purchasing can do, call it value analysis if you wish. It also is an example of outrageously poor materials management which permitted the excessive cost of the original specifications and purchases.

Harry Erlicher, a General Electric vice president, was one of the first to talk about value analysis. He always felt that any savings from it should be reported to the credit of the operating department. This runs counter to some purchasing departments' feelings today when they seek to justify their existence by such claims. But it is good human relations and will secure cooperation from other departments in the company.

If value analysis (and materials management) is really a part of top management, then there is no need for drum beating. A good management knows where proper credit lies.

Neither value analysis nor materials management should be regarded as "purchasing's." Both are useful management tools that can make cost reductions throughout the company. By suggesting their adoption, purchasing will be one of the first departments to profit. The developed abilities of its own personnel will find greater use in making company decisions, and purchasing will receive credit for this most recent contribution.

Why Purchasing Needs Value Analysis

"The purchasing agent has grown greatly in stature so that today he must not only be a buyer but also to some extent an engineer, an accountant, and an administrator."

"Purchasing is the logical spot for management to obtain not materials alone but also counsel, advice, suggestions, and services of various types."

"The purchasing agent must work with production planners, designers, and research; he is expected to contribute top level thinking to new products, new processes, new materials, and new sources of supply."

"His work begins on the drawing board and ends only when the final packaged product rolls off the assembly line. In the effort to provide a better, yet less costly product, he must be alert for value in every phase of the operation."

"Full value can be received only when all people who contribute value are grouped into a single team."

"He (the purchasing agent) must be familiar with basic management principles."

(Remarks by Harry Erlicher, Then vice president—purchases for General Electric, to 1949 N.A.P.A. Convention.

How to Get the Most From a Meeting

Attending Association Gatherings Offers Purchasing Agents Many Opportunities to Get Information But They Must Plan Activities; Suggestions Are Based on Experience of McGraw-Hill Editors

If you are one of the many purchasing agents getting ready to go to the convention of the National Association of Purchasing Agents, here are some tips on how to get more out of it. The convention will be held, May 11-14, at the Conrad Hilton Hotel, Chicago. Held in conjunction with it will be the Inform-A-Show.

A newcomer at the show this year will be PURCHASING WEEK. The publisher, Charles S. Mill, and some of the editors including the chief editor, Raymond W. Barnett, will be at booth 93 to greet visitors.

Readers will be welcome to make suggestions about the publication and its various departments. They will also give them an opportunity to discuss the various problems which face all those engaged in purchasing.

But these tips do not apply to this convention alone. They apply also to the many other meetings and conventions that purchasing men attend. They are based on the advice of McGraw-Hill Publishing Co. editors who attend hundreds of meetings, from large to small, every year.

If you want to get the most out of any meeting, follow these ten tips:

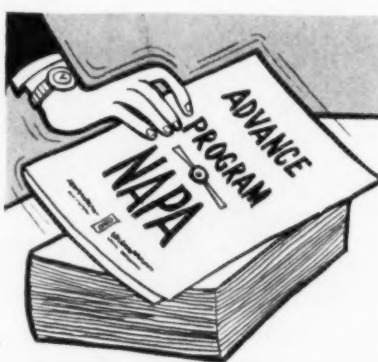


1. Choose your meetings wisely. Consult PURCHASING WEEK's meeting calendar for offerings. Get advice from others who have attended similar meetings. Have some idea of what you hope to get out of a meeting before you finally make up your mind to go.

By all means attend those meetings in which you have a genuine interest or those to which you think you can make a contribution.

Don't be afraid to tell your boss that a meeting is not worthwhile if that is your belief.

2. Prepare in advance for a meeting. Be sure you get an advance program for topics and



speakers. Read up on available literature for background. That'll make it easier for you to assimilate speeches. Also make an effort to know who will be attending.

Make specific notes of problems you have in the field to be covered by an industry meeting. This will enable you to raise questions if the problem is not dealt with in a formal presentation.

Again, develop a firm idea as to exactly why you want to attend a meeting. It's truer than we like to think that we get out of a meeting just about what we put into it.



3. Plan trip and schedule appointments. It will save you time if you can make needed calls in the meeting city or en route. Get as much out of those miles as you can.

If you want to meet a specific person at the meeting, drop him a letter or phone him and plan a get-together in advance. It's sometimes difficult to plan appointments once you are in the fast-moving hubbub of a meeting.

Without planning every moment, know generally how you want to spend your time. Remember that every moment is just as valuable and costly to you and your company as if you were behind the desk at the office.

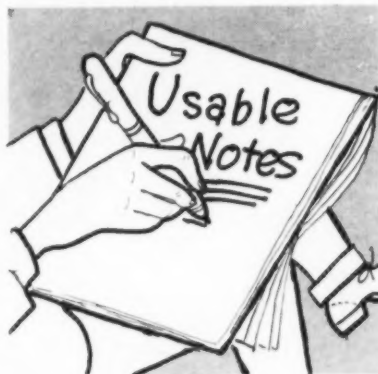


4. Attend session in which you have an interest. No matter how eager you may be, you can only assimilate so much in any period of time. So when there are competing sessions, choose the one in which you are most interested. You're likely to get more out of it.

It's probably better to assimilate material from a single session than to get bits and pieces from a great number of sessions. Most of us never have time or

never take time to straighten out those jumbled impressions.

5. Make usable notes. And be prepared to make a report. This is one of the ways you may be able to carry away something worthwhile from the meeting. But know why you are taking notes and take them for a purpose—for a report to your associates, a report to your company executives, or for your own



"idea notebook." That way your notes will be more to the point—less confusing for later reference.

6. Take an active part in sessions. Ask questions. As a speaker you'll find you'll learn a lot more than as a listener. But even if you are just an attender,



ask questions. You'll find that speakers welcome them at the end of the formal session or when the session breaks up. It flatters them to know that you've been listening.

In small sessions, such as committee meetings, you are counted on for a contribution. Don't be hesitant about offering a pertinent idea. Some ideas or techniques that may be old to you may be just what someone else is seeking.



7. Get copies of really useful papers. Speakers are usually glad

to furnish copies of their papers even though they might not have brought copies along—modesty you know. If you have a real need for a paper now, it will mean work to get it later.

But don't go filling your briefcase or your files with a lot of useless paper that you never intend to see again.



8. Meet the experts in your field. Spot your opposite numbers from other companies. Take their names and addresses. Generally they're willing and able to share ideas of real use to you. This is the most economical top-flight consultant advice you will ever get.

But you won't ferret out the experts in other companies if you spend too much time with your own company colleagues. It's cheaper to talk with your company friends back home.

9. Plan relaxation periods. The rigors of a meeting put an above normal strain on many fellows. Meeting new people, irregular hours, and the "sitting" grind are likely to leave you pretty tired unless you plan some relaxation. Plan a break from



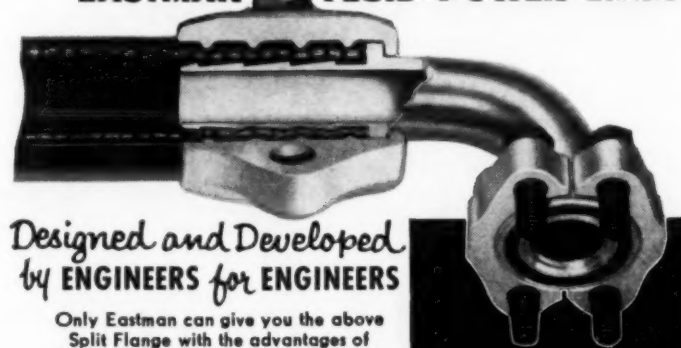
time to time. It will give you a fresher outlook. Sometimes a nap at lunch works wonders.



10. Make a file. Prepare a meeting summary. You'll want a file on the meeting. It should contain your summary report, names and addresses of persons you've met, new ideas you've picked up. Keep it all in a single folder unless you're awfully tidy. You'll find it's easier to remember where you picked up an idea or met a person than it is to remember the idea or the person's name. Some McGraw-Hill editors have such folders for meetings held as long as ten years ago.

And that summary report. If you don't have to present it to others at your company, you'll still want it for your own future reference.

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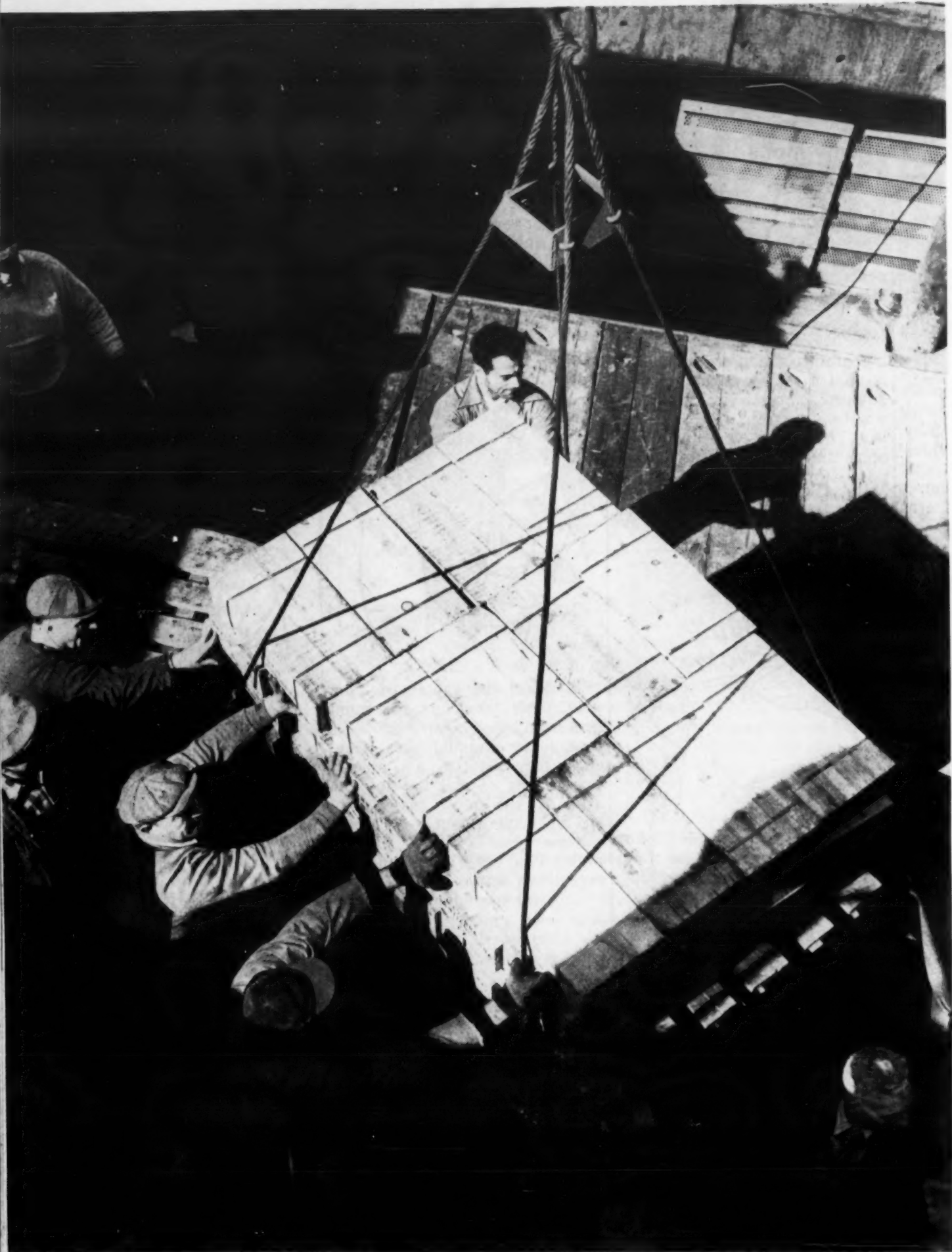
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EXPORT SHIPMENTS through New York travel complicated land-and-water route from railroad to ship. You can't be there to supervise. But you can influence handling costs and methods by planning for and understanding system.

Lighters, Carfloats, Trucks Handle Your Freight in Port of New York

The port of New York's strength is in its wide, deep protected harbors. But these waterways also cause one of the port's biggest problems—getting freight from rail to ship, quickly and economically.

Three transportation systems handle the problem. On the water there are the carfloat and lighterage services. On land there are motor-truck routes. Here's how they handle your export goods.

1. Lighterage: This is the most commonly used carrier (a lighter is a barge). If your freight shipment amounts to at least a carload, lighterage is free. If it's less than carload your shipment probably won't go by lighter.

2. Carfloat: A carfloat is a barge with railroad tracks mounted on its deck. It's used primarily for extra-heavy pieces. If you export a ten-ton motor, the railroad can save one lifting by running motor, flatcar, and all onto a carfloat.

If your heavy piece weighs as much as 25 tons,

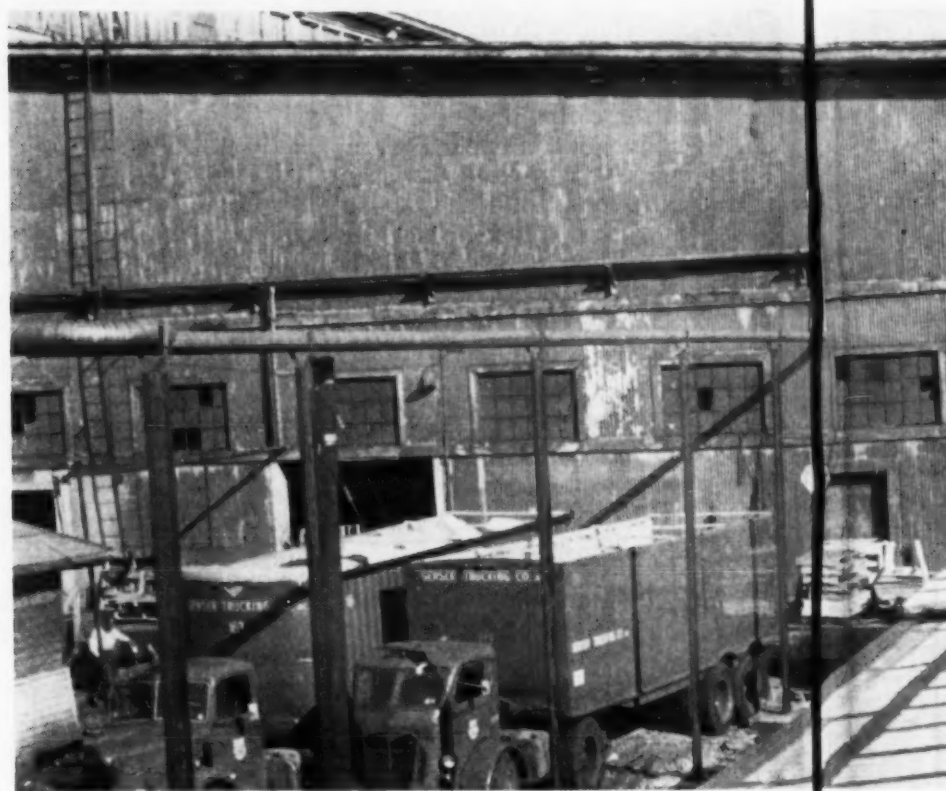
and the full shipment is 3 cars, you can have the other two cars floated to shipside free of charge. The railroad just runs the other two cars onto the carfloat behind your big piece, they have to take the whole barge to shipside anyway.

3. Motor Truck: Less-than-carload lots usually go to shipside by motor truck. It works this way: Your freight is stored on the ground (free of charge) at the railhead until the papers are cleared. Then the railroad hires a trucking contractor to pick up your goods, along with others going to the same ship. Extra charge to you for this service is 50-60¢ per hundred lb., with a \$5-6 minimum charge.

What does all this mean to you? First, ship in carload if possible. If you just can't get up a full car, share a full car with a nearby manufacturer. Then when your goods get to New York, you'll still get carload handling privileges (in addition to over-land freight savings).



MOST-USED CARRIER for rail-to-ship movement is lighter (common barge). If shipment is carload, lighterage is free. LCL probably won't be carried by lighter.



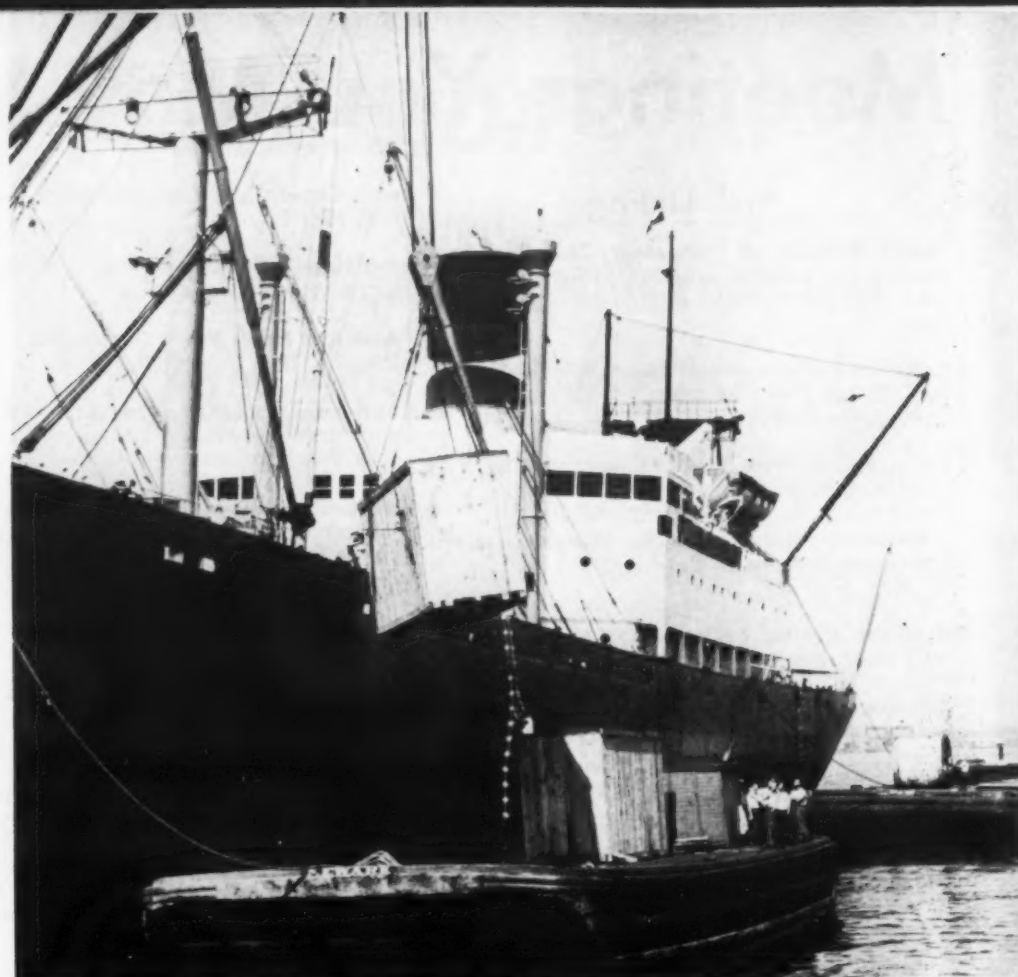
CARFLOAT (BARGE WITH RAIL TRACKS) takes cars from pier, left. Same cars onto this barge for direct movement to shipside. System saves cost of lifting.



...barge). If your
...carried by lighter.



COVERED LIGHTERS protect more-delicate shipments from water and salt air. Some are refrigerated. Above, tug tows lighters from rail terminal to shipside.



AT SHIPSIDE, ship's crane takes goods from lighter, lowers them into hold. Lighters permit shiploading from warehouse on dock side, barges on the other.



TRUCKS MOVE LCL shipments from rail warehouse to ship. Trucks, left, and barge, right take shipments from same depot.



DOCKSIDE WAREHOUSE stores goods awaiting ship's arrival. Extra charge for trucking LCL is 50-60¢ per 100 lb., \$5-6 minimum.



Same car that left your plant rolls
of lifting heavy pieces onto barge.



HEAVY PIECES over 25 tons are carfloated free. Two accompanying cars to same ship can go free also. Above, two floats leave depot.



TUGS TOW carfloats downriver to docks scattered over 650-mile waterfront. Shipments may be offloaded to warehouse or directly aboard ship.

Meetings You May Want to Attend

First Listing

Illinois Institute of Technology, Industrial Engineering Department—Cost Reduction Conference, Illinois Institute of Technology, Chicago, May 8-9.

Canadian Warehousemen's Association—41st Annual Convention, Seignior Club, Montebello, Quebec, May 12-15.

American Electroplaters' Society—Annual Convention, Cincinnati, May 19-22.

American Institute of Mining, Metallurgical and Petroleum Engineers—Hotel Statler, Buffalo, N. Y., May 27-29.

American Nuclear Society—Annual Meeting, Hotel Statler, Los Angeles, June 2-5.

American Rocket Society—Semiannual Meeting, Los Angeles, June 8-11.

Previously Listed MAY

National Welding Supply Association—14th Annual Convention, The Americana, Miami Beach, Fla., May 5-7.

American Mining Congress—Coal Convention, Cincinnati, Ohio, May 5-7.

American Public Power Association—Annual Meeting, New Orleans, May 6-8.

National Association of Educational Buyers—Annual Meeting, Hotel Leamington, Minneapolis, May 7-9.

Western Air Conditioning Industries Association—Western Air Conditioning, Heating, Ventilating and Refrigeration Exhibit and Conference, Shrine Exposition Hall, Los Angeles, May 7-11.

United States World Trade Fair—2nd Annual Exposition, Coliseum, New York, May 7-17.

American Material Handling Society—Western Regional Material Handling Show, Great Western Exhibit Center, Los Angeles, May 8-10.

American Steel Warehouse Association—Annual Convention, Riviera Hotel, Las Vegas, Nev., May 11-14.

National Association of Purchasing Agents—Annual Convention, Conrad Hilton Hotel, Chicago, May 11-14.

American Society for Metals—Southwestern Metal Exposition and Congress, State Fair Park, Dallas, May 12-16.

American Management Association—Marketing Division Conference on Sales Forecasting, Drake Hotel, Chicago, May 15-16.

National Truck, Trailer and Equipment Show—Great Western Exhibit Building, Los Angeles, May 15-18.

Electronics Parts Distributors Show—Conrad Hilton Hotel, Chicago, May 19-21.

Non-Ferrous Founders' Society—Annual Meeting, Carter Hotel, Cleveland, May 19-20.

American Foundrymen's Society—62nd Annual Convention and Exhibition, Public Auditorium, Cleveland, May 19-23.

American Iron and Steel Institute—Annual Meeting, Waldorf-Astoria Hotel, New York, May 21-22.

National Office Management Association—Conference and National Office Machinery and Equipment Exposition, Conrad Hilton Hotel, Chicago, May 25-28.

Triple Industrial Supply Convention—Waldorf-Astoria Hotel, New York, May 26-28.

American Management Association—National Packaging Exposition, Coliseum, New York, May 26-30.

JUNE

National Industrial Advertisers Association—Annual Convention, Chase and Park Plaza Hotels, St. Louis, June 3-6.

Material Handling Equipment Distributors—Annual Meeting, Chicago, June 5-7.

Canadian Association of Purchasing Agents—33rd Annual Conference, Queen Elizabeth Hotel, Montreal, Quebec, June 8-10.

Society of Automotive Engineers—Summer Meeting, Chalfonte-Haddon Hall, Atlantic City, June 8-13.

Edison Electric Institute—26th Annual Convention, Convention Hall, Boston, June 9-12.

National Materials Handling Exposition—Public Auditorium, Cleveland, June 9-12.

22nd National Oil Heat and Air Conditioning Exposition—Coliseum, New York, June 9-12.

National Association of Electrical Distributors—50th Annual Convention, Civic Auditorium, San Francisco, June 9-13.

International Automation Exposition and Congress—Coliseum, New York, June 9-13.

Oil Heat Institute of America—Annual Convention, Park Sheraton and Barbizon Plaza Hotels, New York, June 10-12.

American Society of Mechanical Engineers—Semiannual Meeting, Statler Hotel, Detroit, June 15-19.

American Association of Cost Engineers—Annual Meeting in cooperation with Case Institute of Technology, Cleveland, June 16-18.

Second National Convention on Military Electronics—Sheraton-Park Hotel, Washington, D. C., June 16-18.

American Institute of Electrical Engineers—Summer General Meeting, Buffalo, N. Y., June 22-27.

American Society for Testing Materials—61st Annual Meeting and Apparatus Exhibit, Statler & Sheraton Plaza Hotels, Boston, June 22-28.

Purchasing Agents Association of Hawaii—Hawaii Mid-Pacific Purchasing Seminar, Hawaiian Village Hotel, Honolulu, June 23-25.

American Marketing Association—Annual Convention, Harvard School of Business Administration, Boston, June 24-26.

National Association of Plumbing Contractors—National Plumbing Heating-Cooling Exposition, Pan Pacific Auditorium, Los Angeles, June 30-July 3.

AUGUST

Western Packaging and Material Handling Exposition—Civic Auditorium, San Francisco, Aug. 11-13.

SEPTEMBER

American Die Casting Institute—Annual Meeting, Edgewater Beach Hotel, Chicago, Sept. 10-11.

National Petroleum Association—56th Annual Meeting, Traymore Hotel, Atlantic City, Sept. 10-12.

Instrument Society of America—13th Annual Instrument Automation Conference and Exhibit, Convention Hall, Philadelphia, Sept. 15-19.

Steel Founders' Society of America—Fall Meeting, The Homestead, Hot Springs, Va., Sept. 22-23.

Association of Iron and Steel Engineers—Annual Meeting, Public Auditorium, Cleveland, Sept. 23-26.

American Society of Tool Engineers—Semiannual Meeting and Western Tool Show, Shrine Exposition Hall, Los Angeles, Sept. 29-Oct. 3.

OCTOBER

National Institute of Governmental Purchasing—13th Annual Conference and Product Exhibit, Hotel Statler, Boston, Oct. 5-8.

Gray Iron Founders' Society—Annual Meeting, Sheraton Park Hotel, Washington, D. C., Oct. 8-10.

National Association of Purchasing Agents—6th District Purchasing Conference, Sheraton-Mayflower Hotel, Akron, Ohio, Oct. 9-11.

National Electronics Conference—Hotel Sherman, Chicago, Oct. 13-15.

Purchasing Agents of Central Iowa—Products Show, Veterans Memorial Auditorium, Des Moines, Oct. 15-16.

Foundry Equipment Manufacturers Association—

Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 16-18.

Conveyor Equipment Manufacturers Association—Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 18-21.

National Association of Oil Equipment Jobbers—Annual Convention and Trade Show, Hotel Adolphus, Dallas, Oct. 19-21.

National Business Show—Coliseum, New York, Oct. 20-24.

Petroleum Industry Purchasing Management Seminar—Purchasing Agents Association of Tulsa in conjunction with the University of Tulsa, Western Hills Lodge on Lake Gibson, Wagoner, Okla., Oct. 22-24.

American Institute of Supply Associations—Annual Convention, Roosevelt and Jung Hotels, New Orleans, Oct. 26-29.

Independent Petroleum Association of America—Annual Meeting, Statler-Hilton Hotel, Dallas, Oct. 27-28.

American Society for Metals—National Metals Exposition and Congress, Public Auditorium, Cleveland, Oct. 27-31.

NOVEMBER

American Petroleum Institute—38th Annual Meeting, Conrad Hilton, Palmer House and Congress Hotels, Chicago, Nov. 10-13.

National Electrical Manufacturers Association—Annual Meeting, Hotel Traymore, Atlantic City, Nov. 10-14.

National Electrical Contractors Association—Annual Convention and National Electrical Exposition, Adolphus Hotel, Dallas, Nov. 16-21.

Society of the Plastics Industry—8th National Plastics Exposition, International Amphitheatre, Chicago, Nov. 17-21.

National Retail Lumber Dealers Association—5th Annual Building Products Exposition, International Amphitheatre, Chicago, Nov. 22-25.

List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of **Purchasing Week** to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: **Meetings Calendar, Purchasing Week**, 330 West 42nd Street, New York 36, N. Y.

CUT GLOVE COSTS



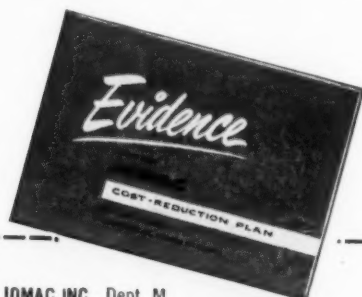
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This Changing Purchasing Profession . . .



R. O. KEEFER, general purchasing agent, Aluminum Co. of America, Pittsburgh, has been elected a vice president of the firm. Keefer joined the company in 1917 and since 1937 has been general purchasing agent. He served as president of the N.A.P.A. in 1948-49.

Shannon, P.A. Director, Will Retire May 4

Birmingham, Ala.—Frank B. Shannon retired as director of purchases and assistant secretary of American Cast Iron Pipe Co. on May 4.

Ernest H. Crain becomes purchasing agent in charge of the purchasing department. Carl J. Dreher, Jr., succeeds Crain as assistant purchasing agent.

Shannon joined the firm's purchasing department in 1919; he became assistant purchasing agent in 1922 and purchasing agent in 1932. He was made director of purchases and elected assistant secretary of the firm in 1946. In April, the Purchasing Agents Association of Alabama conferred honorary life membership on him.

Firm Names Marshall Assistant P.A. Director

Newark, N. J.—Bert Marshall has been assigned the new post of assistant to the director of purchasing at Blonder-Tongue Laboratories, Inc. Formerly an assistant in the quality control department, he will act as liaison between the engineering department and vendors.

Al Piccirilli has joined the firm's purchasing department as traffic coordinator. He will coordinate traffic on the shipping and receiving ends of the purchasing function.

Arthur J. Rutherford has been named director of procurement by Graflex Inc., Rochester, N. Y. Before joining Graflex, he had been assistant manager of procurement with Arma Division of American Bosch Arma Corp., Garden City, L. I., N. Y.

Richard S. Ferguson has been appointed purchasing agent by Flexonics Corp., Maywood, Ill., succeeding **K. H. Flory**, who resigned. Ferguson was formerly purchasing agent for Faultless Caster Corp., Evansville, Ind. He was president of the Evansville Association of Purchasing Agents and is a director of the N.A.P.A.

J. C. Willis has been made director of purchasing for Canadian Western Natural Gas Co. Ltd., Calgary, and Northwestern Utilities Ltd., Edmonton, succeeding the late **Harold W. Francis**. Willis will be located at Calgary where he served formerly as purchasing agent for Canadian Western.

Ben D. Wiora has been named purchasing agent for Sidney Wanzer & Sons, Chicago. He formerly was mechanical buyer for Oscar Mayer & Co. and purchasing agent for Pure Milk Association.

H. R. Criss has been made assistant purchasing agent of the four state Toledo Division of Gulf Oil Corp. He has been with the firm 27 years.

Edward M. Cullen has been named purchasing agent by Handley Brown Heater Co., Jackson, Mich. The purchasing department has been made part of the production department.

John E. Mills, formerly purchasing agent and works manager of Chadwick-Carroll Co., Hamilton, Ontario, has been promoted to general manager.



FRANK B. MITCHUM has been appointed purchasing agent of the Atkins Saw Division of Borg-Warner Corp., Indianapolis. He has been with Atkins for 20 years, 14 of which have been spent in purchasing.

James R. Connell, formerly manager of market services at the Oswego, N. Y. plant of International Business Machines Corp., has been named purchasing agent.

J. L. Adams has joined the Owosso Division of Midland-Ross Corp., Owosso, Mich., as director of sales. **Harvey E. Schach**, formerly division sales manager, will devote his full time to special sales, service, and engineering assignments.

Robert F. Reid has taken the post of manager, machine tool sales, with Union Twist Drill Co., Athol, Mass.

J. D. MacKenzie has been elected president of American Smelting & Refining Co., New York. He succeeds **R. W. Vaughan**, who has been made vice chairman of the board. **R. L. Jourdan** has been elected vice president. He has been manager of the ore purchasing department since 1941.

Robert W. Vonder Lieth has been advanced to sales manager of the Special Products Division of General Rubber Corp., Tenafly, N. J.

Stuart S. Carlton has been appointed director of sales at Horizons, Inc., Cleveland.

Joseph B. Loesing, Jr., has joined Park Nameplate Co., Inc., Flushing, N. Y., as national sales manager.

John E. Puvogel, **Robert I. Cratch**, and **John M. Thomas** have been elected vice presidents of Hoskins Mfg. Co., Detroit, in charge of manufacturing, marketing, and new product planning and development respectively.

Raymond F. Duffy has been assigned the new post of vice president in charge of sales at Tubular Rivet & Stud Co., Quincy, Mass.

H. L. Kaness, a divisional sales manager the past 10 years for Knox Glass Inc., Knox, Pa., has been promoted to senior divisional sales manager. **Robert D. Brady** becomes assistant product sales manager succeeding **Gail T. Smith**, who has joined the firm's New Haven, Conn., office.

Geoffrey Grange has been advanced to sales manager by C. A. Norgren Co., Englewood, Colo.

Harry T. Bauerle, Jr., has been named sales manager of Vidmar, Inc., division of Volkert Stampings, Inc., Williamsport, Pa.

Ned W. Roudabush has been appointed manager of basic sales and technical service by the Refractories Division, H. K. Porter Co., Inc., Pittsburgh.

James A. Foxgrover, general sales manager of Hercules Powder Co.'s paper makers department, will retire June 1 after 39 years with the firm.

L. W. Adams has been made manager of V-belt sales for Goodyear Tire & Rubber Co., Akron, Ohio. He succeeds **J. F. Taylor**, who is retiring. Adams will operate from the firm's Lincoln, Neb., plant.

Richard M. Stewart succeeds **John A. Coe** as president of The American Brass Co., Waterbury, Conn. Coe becomes chairman of the board of directors.

John K. Campbell has been advanced to manager-government sales of Philco Corp.'s Government and Industrial Division, Philadelphia.

Robert J. Cormier has been elected president of Miller & Van Winkle Co., Paterson, N. J.

Robert W. Ebey becomes manager of ball sales at Hoover Ball & Bearing Co., Ann Arbor, Mich.

James F. Mayne has been appointed field sales manager for the automotive accessory division at the Fulton Sylphon Division of Robertshaw-Fulton Controls Co., Knoxville, Tenn.

A P.W. Profile

Perkins, Manager of Purchases, Gives Time to Retarded Children



CHARLES PERKINS

Because of devoted citizens like Charles Perkins, many mentally retarded children can today attain a certain degree of self sufficiency and learn to lead useful lives.

Charlie Perkins is manager of purchases for Union Oil Co. in Los Angeles. He's been with the company almost 32 years and has been in purchasing since 1934.

About six years ago he heard of a Los Angeles organization called the Exceptional Children's Foundation, Inc., and he became vitally interested in its activities.

Child Is Termed Exceptional

The organization takes the view that any child whose intelligence is below normal is exceptional. Its avowed function is the rehabilitation of mentally retarded or brain injured children of all ages. It concerns itself with infants, school-age children, and adults well into their 60's, on the precept that the mentally retarded person is forever a child.

Perkins' job in the foundation is chiefly administrative. He is a member of the board and a past president of the group. He is also vice president of the California Council for Retarded Children.

His wife, Marie, is chairman of the foundation's training committee and oversees 17 training classes which provide special instruction for 185 children.

The organization also provides workshops where the older children get a chance to learn a craft.

Staffed with psychologists and doctors, the foundation supports a resident home and a guidance

clinic where parents confronted with raising a mentally retarded child can get help in determining what to do about the problem.

Development of the child who was born a mongoloid or who suffered a brain injury early in life is at best, limited.

Learning Heartens Adults

"Nevertheless," says Perkins, "It's heartening to see a kid learn to bathe himself or cross the street alone when you know that without the help he would have to depend on his parents or on institutional care for even the simplest of his needs."

Perkins' interest in the mentally retarded goes beyond just helping those who are enrolled in the foundation. He and the organization have been actively campaigning for improved care of the mentally ill in state hospitals, and work with national organizations in the promotion of research into the prevention and elimination of mental disease.

They have also lobbied successfully for a change in the California educational code, making it mandatory for school districts to provide training for the mentally retarded. The appeal to the state legislature was made on a basis of pure economics. Perkins pointed out that the average yearly cost for a child given special training in schools would amount to \$400 as compared with a \$1,200 cost to the state if the child had to be institutionalized.

Charlie Perkins has a deep personal involvement in the Exceptional Children's Foundation. His 15-year-old son has been mentally retarded since birth.

The boy has been taught his own limitations. At the beach he can go into the water without supervision. He can socialize with others and play at games that the normal 8-year old would play. He can read. He has even learned to talk haltingly.

Perhaps these seem like simple accomplishments.

"But," says Charlie Perkins, "without the proper help he wouldn't have been able to achieve any of them."

"The value of such training becomes even more discernible in the parents," Perkins says.

Burden Of Care Eased

"The burden of care is eased as the child becomes more self-sufficient. With this pressure alleviated the parents can better learn to live with their problem."

"And they come to realize that they are not alone with their problem. Three out of every 100 births results in a mentally retarded child. It can result from prenatal sickness in the mother or from a brain injury to the child. And it can happen in the best of families."

"I think the foundation helps parents to understand that it's no disgrace to have a mentally retarded child."

Obituaries

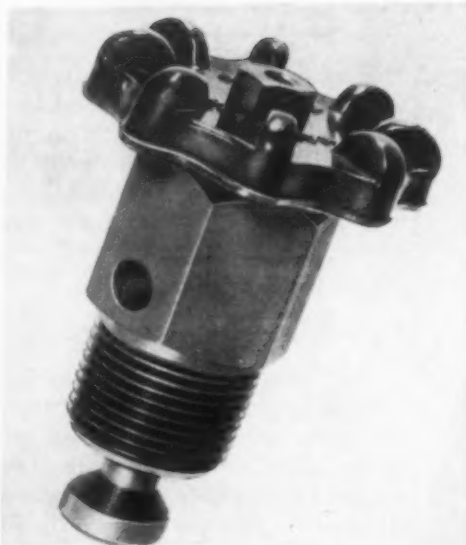
John V. Kinsman

Toronto, Ont.—John V. Kinsman, purchasing agent 25 years for the Spruce Falls Power & Paper Co. before his retirement in 1950, died April 9. He is survived by his wife.

Leon W. McWane

Richmond, Va.—Leon W. McWane, 66, associate purchasing agent of the Virginia State Highway Department for 36 years, died April 11.

Here's your weekly guide to . . .



Bleeder Valve

Is Corrosion Resistant

Polyvinyl chloride valve is suited to many applications. It is non-toxic, non-corroding and non aging, and offers the advantages of light weight, high burst strength, and ease in handling. Valve can be used for bleeding, sampling, or drawing off small amounts of liquid from pipe lines, duct systems, tanks, and similar applications. It has no packing and operates in the same way as a drain cock on an automobile radiator or steam boiler. Valve is available in 3/4-in. size with male IPS threads.

Price: about \$5. Delivery: immediate. Walworth Co., 750 Third Ave., New York 17, N. Y. (5/5/58)

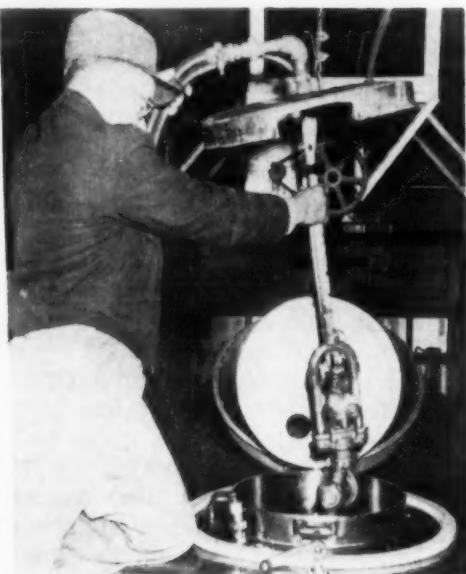


Small-Size Adding Machine

Lightweight, Portable

Little Giant Model 811H14 ten-key adding machine is hand-operated for adding, subtracting, and listing. No larger than an 8x11-in. sheet of paper and weighing 14 lb., Little Giant is sturdily built for heavy-duty use. Model 811H14 features a standard-size tape and ribbon and standard locks to prevent misoperation. It is said to be rugged enough to withstand the wear and tear of counter-top use, and it is light enough for businessmen to carry anywhere. Totaling capacity is 9,999,999.99.

Price: \$149.50. Delivery: immediate. Monroe Calculating Machine Co., Inc., Orange, N. J. (5/5/58)



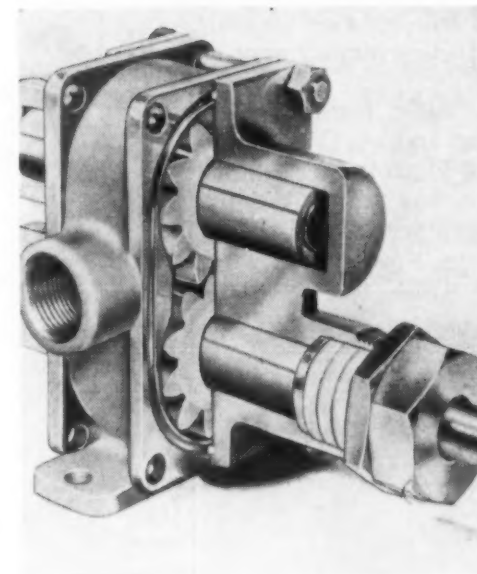
Rotating Jet Unit

For Tank Cleaning

Rotor Jet cleans the inside of tanks, tank cars, or tank trucks of any size or shape. Operation is completely automatic. Jet is balanced so it can be lowered into a tank suspended only by its hose, without additional support. It hydraulically scrubs the tank surface. Personnel need never enter the tank. During cleaning cycle, rotating head directs two solid liquid jets in full spherical path.

Price: \$522.50 (1-in. bronze), \$577.50 (1-in. stainless steel); \$731.50 (1 1/2-in. bronze), \$825 (1 1/2-in. stainless steel). Delivery: immediate.

Sellers Injector Corp., 1601 S. Hamilton St., Philadelphia, Pa. (5/5/58)

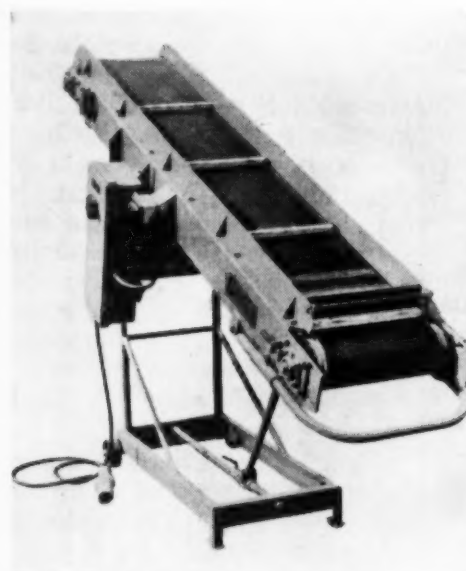


Rotary Gear Pump

Made of Pure Nickel and Teflon

Gearchem Teflon rotary gear pump, made of nickel, will yield 10 gpm. at 1,750 rpm. and operate effectively to 100 psi, with viscosities to 5,000 ssu. Features of the unit include 3/4 in. ports, reversible Teflon spur gears, internal Teflon bearings and pump casing and shaft of pure electrolytic nickel. Unit can be supplied with complete motorized assemblies. Reproducible flow accuracy of the unit is $\pm 1\%$ which makes it ideal for constant flow metering service.

Price: \$325. Delivery: immediate. Eco Engineering Co., 12 New York Ave., Newark 1, N. J. (5/5/58)



Heavy-Duty Conveyor

Is Portable and Adjustable

Heavy-duty Hustler is specifically recommended for conveying metal stampings between presses, as well as for the mechanized handling of all types of heavy parts and assemblies. Positive locking-device permits up-and-down adjustment of working height. Conveyor pitch also can be adjusted for any angle up to 45 deg. from the horizontal. Wheels permit Hustler to roll easily from job to job.

Price: from about \$800 to \$1,500 (depending on size, speed, and controls). Delivery: about 3 wk.

May-Fran Engineering, Inc., 1690 Clarkstone Rd., Cleveland 12, Ohio (5/5/58)



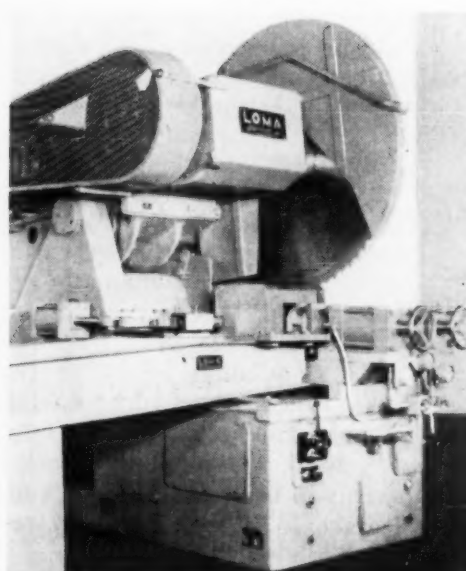
Digital Voltmeter

All Electronic

Model 801 is a portable, all electronic digital voltmeter that measures dc. voltages from 0.001 to 1,000 v. with 0.1% accuracy. Readout consists of 3 digits plus polarity indication and decimal point. Polarity and ranging are manual. Total time for the instrument to make a complete 3 digit conversion is 70 millise. Display time is adjustable from 1/10 sec. to infinity. Model 802 is same as 801 except input impedance is 10 megohms. 801 input impedance is 20,000 ohms/v.

Price: \$960 (801), \$1,190 (802). Delivery: about 90 days.

Kim Tel, 5725 Kearny Villa Rd., Box 623, San Diego 12, Calif. (5/5/58)



Circular Saw

Cuts Aluminum Billets

Circular saw is designed to cut aluminum billets up to 21 in. sq. or 23 in. round. Machine is equipped with a 66 in. dia. sawblade operating at 6,000 ft. per min. Machine features a tilt arm. Cut is effected through a downward movement of the sawblade. Feed pressure is taken by the housing, eliminating any risk of chatter during the cut. Feed speed is steplessly adjustable and automatic return of tilt arm occurs at high speed, holding idle time to minimum.

Price: about \$55,000. Delivery: 5 mo. Loma Machine Mfg. Co., Inc., 114 E. 32nd St., New York 16, N. Y. (5/5/58)



Side Milling Cutters

Use Singly or Interlocked

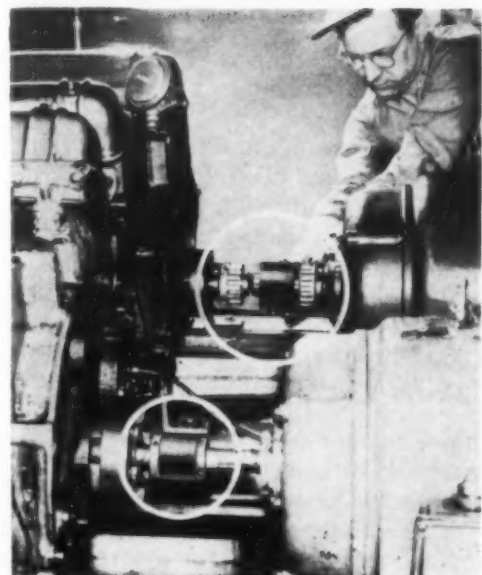
Nelco series 300 staggered tooth carbide tipped side milling cutters range from 3/8 to 1 1/2 in. widths for cutting cast iron, brass, and bronze. Especially recommended for cutting thin walled sections or fragile castings, shearing action permits smooth cutting without shock or chatter. Rigid true running bodies with overhanging tips allow regrinding carbide without grinding steel body. Positive radial and axial rake is engineered for freer cutting.

Price: \$30.50 (3x1/2 in.) to \$110.50 (6x1 1/2 in.). Delivery: immediate.

Cutting Tool Div., Brown & Sharpe Mfg. Co., Providence, R. I. (5/5/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



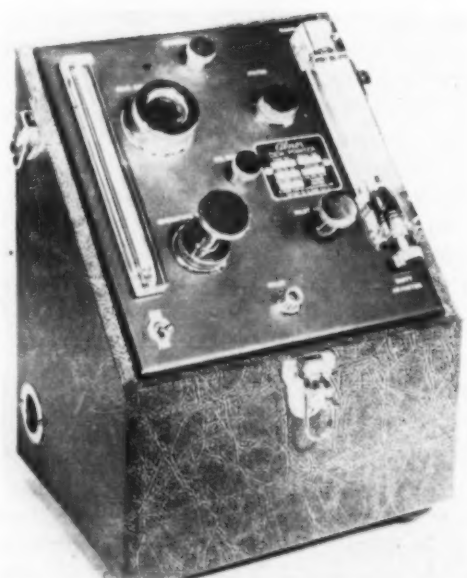
Flexible Coupling

Needs No Lubrication

PowerGrip flexible coupling is a positive dry coupling that never requires lubrication. It is made of three component parts: a heat and oil-resistant neoprene sleeve with axially-molded internal teeth and two metal end-fittings with grooves that match the sleeve's teeth. Neoprene sleeves are reinforced with high-capacity textile fibers in larger-size couplings.

Price: from \$1 (for 1 in. long coupling, 1/2 hp.) to \$26 (for 3 1/8 in. long coupling, 40 hp.). Delivery: immediate.

U. S. Rubber Co., 1230 Ave. of Americas, New York 20, N. Y. (5/5/58)



Dew Point Instrument

Can Be Panel Mounted

Model 7200 Dewpointer is equipped for measuring the dew point of gases which are under pressure. Instrument is appropriate for applications on gas pipe lines, compressed air lines, instrument air lines, bottled gas, etc. Type 7200 requires no pump. Purging and adjustment of pressure ratio are accomplished by an inlet needle valve. This method of pressure variation enables the operator to adjust the flow rate through the instrument.

Price: \$410 (both 115 v. ac. and battery operated). Delivery: immediate.

Illinois Testing Laboratories, Inc., 420 N. LaSalle St., Chicago 10, Ill. (5/5/58)



Coolant Applicator

For Drilling and Tapping

Model 10 coolant applicator can be used for any type of operation requiring an intermittent squirt of fluid. It can squirt a coolant for a tapping and drilling operation, or lubricating oil for die leader pins lubrication. Its operation is automatic. Coolant is projected on the tool or work piece by the down stroke of the drill press quill. Where manual operation is desired a finger tip tap will do. Discharge volume can be adjusted quickly.

Price: \$25.15 (2 3/4-in. column), \$28.75 (3 1/2-in. column). Delivery: immediate.

Mechanical Appliance Co., 1111 N. Franklin St., Chicago 10, Ill. (5/5/58)



Midget "Electric Eyes"

Prevents Production Tie-Ups

RFU Reflector prevents double feeding of sheet stock into presses, forming machines, and other high-speed production equipment. Adjustments on control relay are set to pass only the sheets that reflect proper light. Registration of light value is controlled by other simple adjustments in the relay. With proper light reflection or from an underlying bright surface the feed of the sheet stock is clear. Insertion of another sheet sets off a signal.

Price: \$97.50 (includes amplifier, light source, and photo cell unit). Delivery: immediate.

Ess Instrument Co., Bergenfield, N. J. (5/5/58)

This Week's

Product Perspective

MAY 5-11

There'll be a growing interest in powder metallurgy on the part of your engineers. For one thing, the industry has just embarked on an educational and promotional program aimed at opening new markets and pushing deeper into old ones (PW Apr. 28, p1). Also new powders and techniques provide many new possibilities for powder metal parts.

Briefly, here's how a metal powder part is made: Fine powder is placed in a mold and squeezed by a press ram. Then the compacted form is sintered in a furnace. Sintering binds the powder into a solid mass.

Best known metal powder product is the "oil-less" bearing. It's porous brass soaked in a lubricant.

The process lets the designer get exactly the properties he wants. Varying the squeeze pressure, for instance, varies the part's density. Parts can be produced in a wide variety of shapes. And most parts need no further machining. When applied properly, these all offer opportunities for cost savings.

The list of users of powder metal parts is big and—the industry hopes—growing. The auto industry is the biggest customer followed by appliances and hardware. But you'll find metal powder in most other industries making parts for such things as motors, pumps, aircraft, blowers, fans, gages, office machines, filters, electronic applications.

It's in the development stage that interest in metal powder is likely to be most keen.

Applications where high strength and ductility is needed have succumbed to powder metal technology. Additional pressing and sintering makes an iron-powder part capable of taking high stresses. Infiltration is another technique for making high-strength parts. Copper or brass powder is used to fill the voids in an iron compact. Parts made by both techniques can be hardened by conventional methods.

But P. R. Mallory & Co. has a process it calls Steelmet that it says can produce high-density iron powder parts without copper infiltration, multiple sintering, or multiple pressing. The process bears watching.

Porous parts can be impregnated with other materials, too. This is solving problems involving wear, noise, heat, and conductivity.

Corrosion resistance can be built into a part through the use of the new pre-alloyed metal powders. Many of the stainless steels are available as powders. But the high cost for powder—over \$1 a lb.—is holding up some applications. Other alloy powders are under study. All give a metal powder part with very nearly the same properties as the basic alloy.

Present techniques and presses limit part size to about 4 in. dia. But the new slip-casting process permits fabrication of parts as much as 20-in. long. Slip casting will also permit economical production of small quantities. Powdered metal is mixed with a liquid, cast into a mold and then sintered. No compacting press is needed. Density of parts can be made the same as that conventionally produced.

Fasteners can be made from metal powders. Midwest Sintered Products Corp. says its nuts compacted from brass powder are superior to nuts punched or machined from standard stock. There are no scrap losses and tensile strengths are more than adequate for most applications.

Using metal powders for fasteners presents some unique possibilities. For example: Fasteners can be made of tungsten carbide. And special properties like self-lubrication can be built into metal powder fasteners.

Barrel finishing looks like still another field for metal powder. Bendix Products Div., Bendix Aviation Corp., is experimenting with a barrel-finishing media made of an abrasive suspended in sintered metal powder. It's being used to remove lodged particles from intricate casting channels.

Biggest problem facing powder metallurgy is the industry's lack of standards. As it stands now, any two companies can produce parts with two different sets of physical properties from the same specifications. In particular, industry observers say, powder composition needs defining. Properties desired need clarifying. Standards for setting up test procedures have to be established.

Your Guide to New Products

(Continued from page 19)



Photocopy Regulator

Eliminates Timing Guesswork

Contourmeter regulates voltage for business photocopier. Meter is developed for copying material away from the office or factory, where current may vary due to inadequate wiring or overload. With Contourmeter, incoming current can be set at 110 v. and locked in place. Materials to be copied in the field can then be tested for precise timing at this voltage. It operates on ac. or dc. current and weighs 12 oz. In office or plant Contourmeter maintains constant light intensity for photocopying.

Price: \$19.85. Delivery: immediate.

F. G. Ludwig, Inc., 103-C Coulter St., Old Saybrook, Conn. (5/5/58)



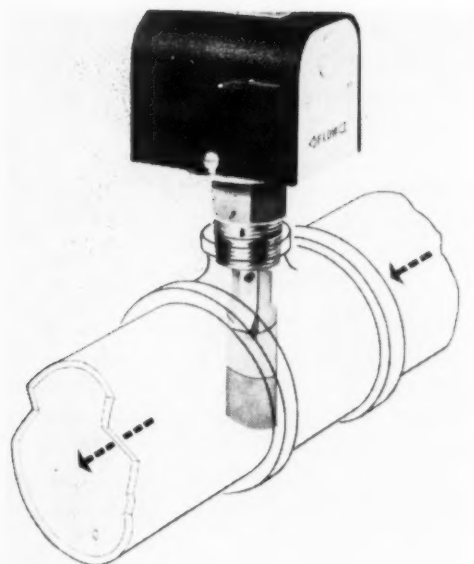
Radiation Analyzer

Identifies Unknown Isotopes

Detecolab Model DZ46 automatic gamma ray spectrum recorder provides automatic scanning and recording of the nuclear energy spectrum. Equipment features: automatic single or repetitive scan; front panel selection of five scanning speeds; front panel selection of scanning limits; and automatic repetitive charting with no mirror image. Applications include evaluation of isotope mixtures with a 75 kev. energy difference.

Price: \$2,295 (less strip chart recorder). Delivery: 6 wk.

BJ Electronics, Borg-Warner Corp., 3300 Newport Blvd., Santa Ana, Calif. (5/5/58)



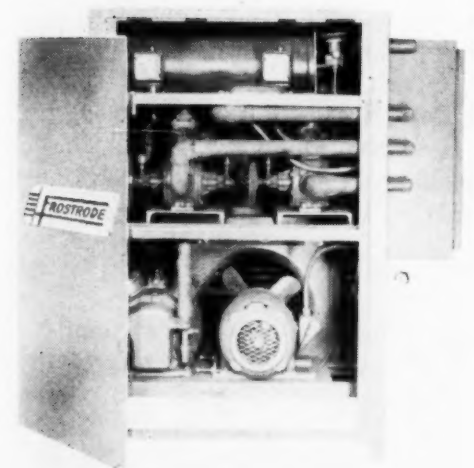
Flow Switches

Adjustable Flow Sensitivity

FS4 series activates a signal, pump, burner, alarm, meter, or other similar equipment, when flow of liquid in a pipe line starts or stops. Flow switch is easily installed in a tee on a horizontal run of pipe with the paddle extending down into the flow. Any flow of liquid in the pipe moves the paddle and closes the switch to complete an electric circuit which remains closed until flow ceases. Reverse acting type is also available to open circuit when flow starts; close, when flow stops.

Price: \$28.26. Delivery: immediate.

McDonnell & Miller, Inc., 3500 N. Spaulding Ave., Chicago 18, Ill. (5/5/58)



Dual Cooling Unit

Available in 1, 2, 3, and 5 Hp.

Dual-Units are designed to handle any two fluid cooling jobs required in machine tool operation. Dual-Unit is simple in design and operation. One refrigerating unit handles the entire job. Separate controls for each cooling circuit permit accurate, independent regulation. Shell and coil or counter-flow, double tube systems are optional. Units are air-cooled, eliminating water problems and recirculating systems.

Price: \$1,585 (100 series), \$1,785 (200), \$2,085 (300). Delivery: about 4 to 6 wk.

Frostrade Div., Warren Alloy, 421 Ferry St., Pontiac, Mich. (5/5/58)

Businessmen Taking Advantage Of Buying Equipment on Time

Economy Has Developed Huge Appetite for Capital Goods; Machinery Installment Sales Keep Even With Cash Deals

New York—Businessmen are taking a leaf from the consumer's book. They're making more of their purchases on time.

The "buy now, pay later" concept isn't really new to businessmen. They have been doing it for at least 30 years. But, say finance companies and equipment makers, the trend is toward more and more purchases being made this way.

The reasons are wrapped up in the special problems of doing business today:

- The U. S. economy is dynamic, has developed a huge appetite for capital goods.

- Like most other prices, equipment prices have gone up.

- Both manufacturers and the finance companies are pushing the concept hard. And the fact that consumer installment buying is very much a part of U. S. economic life helps to sell businessmen on the virtues of buying on time.

- Machines are substituting for manpower. So more capital goods than ever before are needed just to stay competitive.

- Finance charges can be deducted for tax purposes.

- More treasurers find installment buying a good way to hold on to their cash reserves.

Financing Aids Sales

Sales of machinery and industrial equipment lately have been off. But installment sales have stayed even or crept ahead of cash sales.

Sales of machine tools, for instance, have just shown signs of picking up. But, says the American Machine Tool Distributors Association, most of its members are now doing a good part of their business on a time-payment basis.

Jones & Lamson Machine Co.—machine tool builder—reports, while sales overall are down, installment sales have been staying abreast of cash sales. Another manufacturer, Yale & Towne Mfg. Co., says its subsidiary MHE Corp. has steadily increased its business over the last year or two. MHE finances the sales and leasing of Yale & Towne materials handling equipment.

Companies Report Activities

Two industrial finance companies also report more activity. Walter E. Heller & Co.'s outstanding industrial installment loans went from \$37-million in 1956 to \$41-million in 1957. CIT Corp., industrial financing subsidiary of CIT Financial Corp., is doing better this year than last.

The finance companies serve their customers in a variety of ways:

- They permit sellers of equipment to offer longer terms of sale, or lease. In some cases they can even limit or assume the credit hazard.

- They provide the capital for companies wanting to modernize their operations through the purchase of cost-saving equipment.

- They offer a source of capital to companies troubled by market and tax conditions.

- They help carry the financial burden tied up in inventories.

A businessman seeking to buy on the installment plan faces a more complex task than his consumer counterpart. Lenders put no size limit on the companies seeking time-payment loans. Generally, though, smaller businesses are favored.

Loans, too, are generally limited in size, but the trend is toward bigger loans and more time for repayment. Rates are geared to the greater risks involved in financing the smaller companies.

The typical finance company charges

about 1% per month for the money it loans to its customers. Banks, on the other hand, levy about 6% a year on similar loans.

The larger companies use term loans to help meet the need for intermediate and long-term credit. They can, of course, draw on a wider variety of financing methods than the smaller companies.

Industrial finance companies do not bother much with their customer's net worth. Their chief concern is usually with the people to whom their customer sells. If they are good credit risks, then the customer's accounts receivable are all the collateral the finance company needs.

A Federal Reserve Board study finds that funds from industrial finance companies are not paid for on a term basis, but on a daily basis. For instance, if a finance company lends a manufacturer \$100,000 on the first of the month and the manufacturer's collections are completed on the 20th of the month, then the manufacturer pays interest computed on the reducing daily balances for the 20 days which he used for cash. Thus the money for such funds amounts to little more than term bank money.

Banks normally lend on the basis of a company's net worth or other fixed collateral. But a growing company with plenty of orders pouring in, usually does not have enough net worth to warrant the size of a bank loan it needs.

Advantage to Ready Cash

There's still another advantage to the manufacturer when he borrows money, according to the Federal Reserve report. Ready cash lets the manufacturer purchase in a way that gives him the benefits of trade discounts. This way he can save almost as much as it costs him to borrow against his accounts receivable.

Besides looking at the manufacturer's accounts receivables, some finance companies study the earning power of the equipment intended to be bought with the loan. Sometimes a finance company will lend an amount for equipment that is more than the net worth of the borrower. It bases its decision to lend on whether or not the new equipment is likely to earn enough to pay for itself.

Most manufacturers arrange financing through a sales financing company. Jones & Lamson, for example, works with CIT Corp. The period over which monthly payments may be spread runs about 5 yr. The purchaser gets immediate possession of the equipment; Jones & Lamson retains title for security.

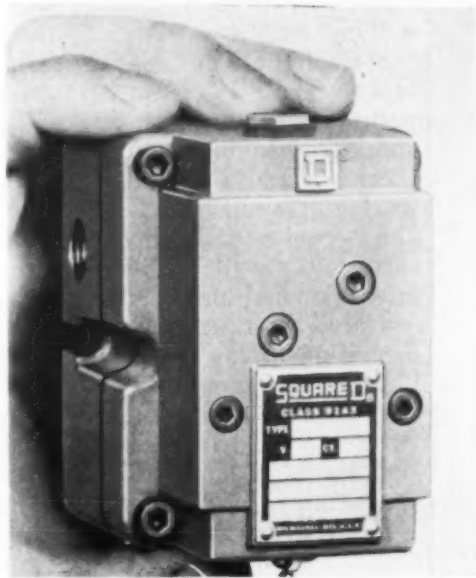
A down payment of 25% is due before shipment, and the balance is paid over a period of time, selected by the customer, in equal monthly installments.

Here's an example: A 5-yr. plan covering the purchase of \$1,000 worth of equipment entails an interest rate of 6% a year on the declining balance. By the time the equipment is paid for, the purchaser has paid \$1,225 for it.

Jones & Lamson holds down the finance cost by foregoing its profits until the contract nears its end. When CIT agrees to finance a purchase, it does not pay Jones & Lamson the complete selling price of the equipment—as is done in standard financing arrangements. Instead, CIT pays Jones & Lamson a piece of the selling price. Thus, the customer owes CIT a smaller amount of money than he would normally owe, and consequently pays less interest.

Part of each monthly payment to CIT goes to pay off the sum, and another part goes to Jones & Lamson. The remainder is held in reserve by CIT until the contract expires.

Your Weekly Guide to New Products — (Continued from page 20)



4-Way Rotary Air Valve

With Optional Manual Operation

The 4-way air valve is designed for spot welders, pneumatic tools, and other industrial applications. Because of its small size, valve can be mounted at the cylinder, eliminating need for long air lines between valve and cylinder. Balanced internal pressure helps increase service life. Change in direction in air flow takes place in less than 1/2 cy. at 60-cy. frequency. Full 1/4 in. porting is provided throughout. Valve meets JIC specifications.

Price: \$63. Delivery: immediate.
Square D Co., 4041 N. Richards St., Milwaukee 12, Wis. (5/5/58)



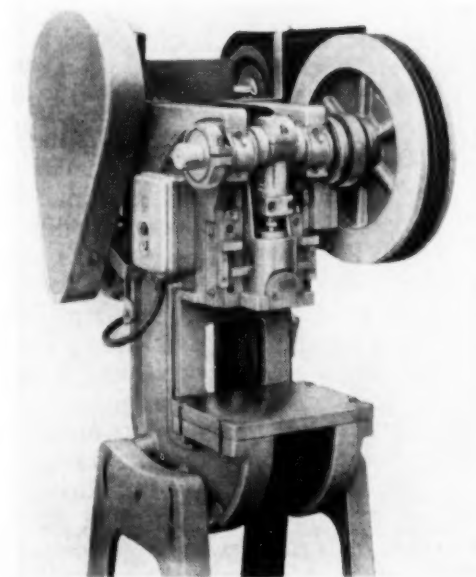
Thickness Tester

Operates Non-Destructively

Glennite Laminagage, Model FLW-1, is designed for measuring thickness of coatings and platings on base materials. It can be used for the thickness measurements of metallic film or foil and will detect surface and subsurface cracks in smooth and rough coatings, flat stock, or plate and tubing. It will also handle odd-shaped pieces. It can continuously monitor thickness.

Price: \$995 plus about \$55 (each probe), and about \$35 (each oscillator). Delivery: 45 days.

Gulton Industries, Inc., 212 Durham Ave., Metuchen, N. J. (5/5/58)



Slow-Speed Punch Press

Features Quiet Operation

Fifteen-ton punch press is said to incorporate a new concept in drive mechanisms. It not only features quiet operation, but also a means for changing operational speeds. Gearless system transmits power. Drive mechanism employs the combined energy of two fly-wheels. High friction, cog-type Dacron belts, and a large diameter final drive pulley transmit all the power generated. Press is designed for hand feeding, deep drawing, continuous operation, high-accuracy roll, hopper, and dial feeding.

Price: \$1,185. Delivery: 10 days.
Kenco Mfg. Co., 5211 Telegraph Rd., Los Angeles 22, Calif. (5/5/58)

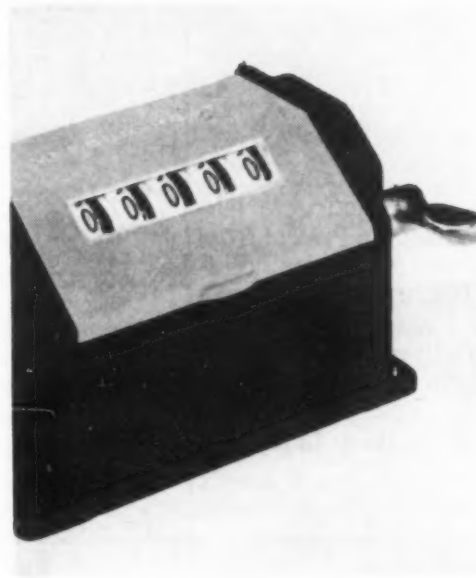


De-Magnetizer

Used Either Portable or Fixed

De-magnetizer removes magnetism quickly from tools, drills, gears, reamers, cutters, or other small parts. It may be used as a bench or portable unit. Tools, dies, etc. may be quickly de-magnetized by passing this unit over or under the magnetized part. Loose parts may be de-magnetized by exposing them to the magnetic poles, then slowly drawing them away. De-magnetizer is ruggedly constructed and easy to use. Maker says only 2-sec. time is needed to demagnetize an object.

Price: \$33. Delivery: immediate.
Microfran Co., Inc., 145 East Mineola Ave., Valley Stream, N. Y. (5/5/58)

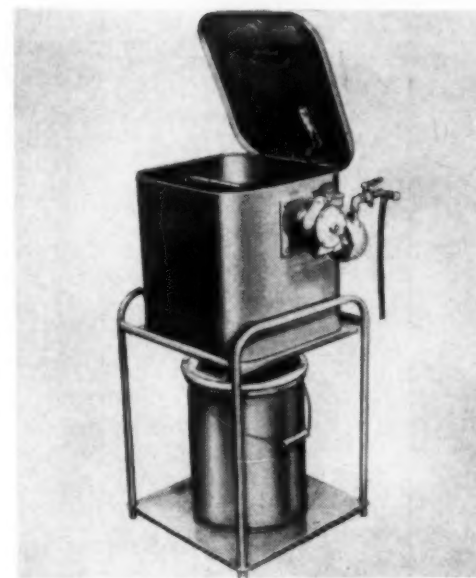


Quick-Reset Counter

Counts in Either Direction

Series 1522 high-speed counter is available either with or without predetermining wheels. With predetermining feature, wheels can be pre-set to any number within the counter's capacity of 100,000. At that pre-set number the counter turns itself off. Instant resetting to zero is a matter of depressing the reset lever through a full 60 deg. arc. Counter will subtract in opposite direction. Speeds up to 6,000 rpm of the drive shaft and 8,000 cpm are the maximum recommended.

Price: \$60. Delivery: 10 to 12 wk.
Veeder Root, Inc., Hartford 2, Conn. (5/5/58)



Automatic Mask Washer

Has Air-Operated Motor

Clogged spray masks are cleaned completely free of paint deposits with automatic mask washer while operator continues work. Compact, portable cleaning station may be set beside the spray booth or at any convenient location; air motor operates on any compressed air supply; and entire unit occupies only 2 1/4 sq. ft. of floor space. Complete station consists of a seam welded steel wash tank containing a crankshaft on which masks are hung in cleaning solvent.

Price: \$133.60 (complete), \$113.70 (tank only). Delivery: immediate.

Protectoseal Co., 1920 So. Western Ave., Chicago 8, Ill. (5/5/58)



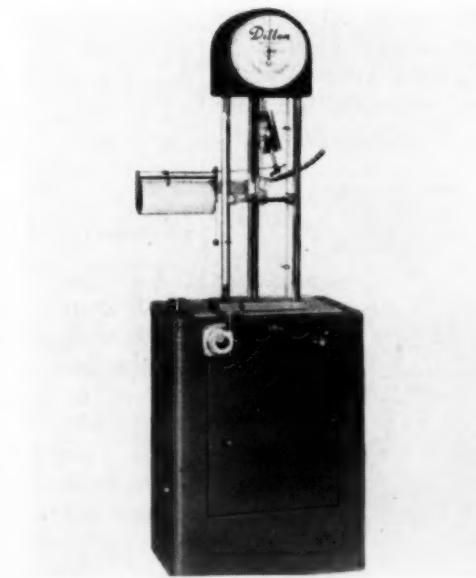
Inserted Blade Cutters

For Straddle Milling Aluminum

Line of inserted high-speed steel blade straddle-milling cutters is used for machining aluminum and light metal alloys. Tools feature a double keyway design that permits adjusting tooth position on paired cutters for machining different thicknesses of materials. Cutter teeth are lined up directly opposite each other, for machining thin parts. Teeth from both cutters enter the work simultaneously and act as a wedge to eliminate part weaving.

Price: from \$61 each to \$250 each. Delivery: immediate.

Goddard & Goddard Co., 12280 Burt Rd., Detroit 23, Mich. (5/5/58)



Universal Testing Machine

Has 300-Lb. Capacity

Multi-low range tester operates on the principle of a calibrated pendulum. It features an improved automatic stress-strain recorder which draws a curve on a graph sheet. Built-in limit switch prevents overrun. Recorder also indicates maximum applied load. Draw-bar speeds of up to 20 in. per min. are selected by a stepless speed control. Instrument will handle paper, thread, fabrics, plastics, springs, film, other low-strength materials.

Price: \$860. Delivery: 1 wk.
W. C. Dillon & Co., Inc., 14620 Keswick St., Van Nuys, Calif. (5/5/58)

More New Products



Ac. Voltage Divider

Dekatran is a compact panel mounted ac. voltage divider having linearity said to rival laboratory standard dividers. Model DT45 Dekatran employs a special tapped toroidal transformer, coaxial switches, and Dekadial. Four coaxial dials give a simple straight line reading to five significant figures. Overall linearity is better than 0.002%. In addition to small size and excellent linearity, Dekatran offers the design engineer an ac. potentiometer with low output impedance, high input impedance, negligible phase shift, good frequency response, and freedom from errors due to temperature changes and long term drift. Divider weighs 3 lb. Price: \$275. Delivery: immediate. **Electro Measurements, Inc., 7524 S.W. Macadam Ave., Portland, Ore. (5/5/58)**

Vinyl Tubing

LT 310 formulation of polyvinyl chloride tubing is uniformly crystal clear. It is recommended for general laboratory use, as well as for conveying foods and liquids in process, where a slight

imparted taste is not objectionable. Tubing is so clear that minute impurities and small air bubbles can be seen easily in the tubing. Visual inspection of material flow is almost completely unhampered by the tubing. All standard tubing sizes are available in the LT 310 formulation from 0.120 to 1½ inside diameter, in wall thicknesses of 0.025, 1/16, 3/32, 1/8, 5/32, and 3/16. Tubing accepts all normal fittings and can be force fitted onto laboratory apparatus. Price: from \$4.50 (less than 50 ft.) for nominal size 0.120 ID. through \$145.50 for 1 ID. size. (less than 50 ft.). Delivery: immediate. **Munray Products, Division, Fanner Mfg. Co., 12400 Crossburn Ave., SW, Cleveland 11, Ohio. (5/5/58)**

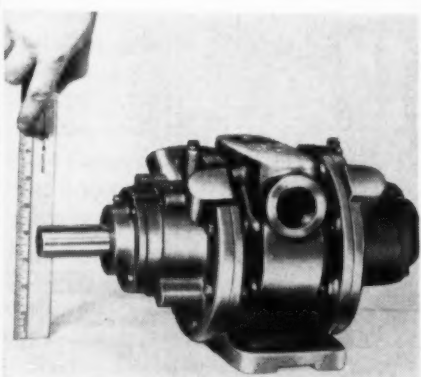


Narrow-Aisle Truck

Narrow-aisle electric truck stacks 4,000 lb. pallet loads as high as 192 in. Model can operate in aisles as narrow as 78 in. Outrigger base legs, combined with the 200 deg. steering arc of a patented offset drive wheel, make close quarter maneuvering practical. Tractor covers can be fully opened on piano-style hinges to expose all areas of the power unit and controls for inspection or adjustment. Price: \$5,097 (2,000 lb. stacker with 192 in. lift). Delivery: 8 wk. **Raymond Corp., 108-165 Madison Ave., Greene, N. Y. (5/5/58)**

Rotary Air Motor

Model 16AM 7 hp. rotary air motor is only 14¾ in. overall and weighs 65 lb. Motor is 8 in. wide and 7½ in. high including base. Design is explosion-proof, making the motor adaptable for use in explosive or inflammable atmospheres. It cannot burn out from overloads and may be stalled without damage. Construction features include ball bearings, dual seals, oil lubrication, and six vanes sliding in rotor slots. Vanes automatically take up their own wear for continuing peak efficiency and long



life. Foot or base is standard. Four tapped holes also are provided on end for flange mounting to gear box or any other driven unit. Rating at 90 psi. is 5.8 hp. at 1,500 rpm.; 7 hp. at 2,000 rpm. Standard Rotation is counterclockwise. Clockwise ratio is available on special order. Price: \$200. Delivery: 6 wk. **Gast Mfg. Corp., P.O. Box 117, Benton Harbor, Mich. (5/5/58)**

Electrical Grade Nylon, Pans for Parts Handling

Nylon grade 31 is available in extruded rods and fabricated parts. Rods are available in dia. from ¼ through 2 in. and lengths from 3 to 6 ft. Grade 31 features a dielectric strength of 470 v/mm. and water absorption of 0.4%. It is used for cams, gears, bushings, nuts, and washers on electronic instruments, radios, television, and other electrical equipment. Vulcanized fibre pans are used for small parts handling. Featuring light weight and durability these pans make ideal separation, storage, and transporting containers for such items as electrical and electronic components, machined or stamped metal pieces, plastics, and other small parts. Price: Nylon—from 14¢ per ft. (for ¼ in. dia. rod in lots of 1,000 ft.) Pans—from 40¢ to 65¢ each depending on size, quantity. Delivery: Nylon—immediate. Pans—2 wk. **National Vulcanized Fibre Co., 1058 Beech St., Wilmington 99, Del. (5/5/58)**

Wire Stripper

Emulsion-type or cream wire stripper is adapted to rapid, high-volume insulation stripping. Types of insulation for which it is recommended include Formex, Formvar, enamels, Alkanex, Isotel, Lactalite, Thermaleze, etc., coated wires. Cream wire stripper #504 may be employed as a liquid stripper with leads immersed for a total period, or leads may be momentarily immersed and allowed to strip in air. It is simple to use and can be conveniently contained in a small glass, stainless, copper or porcelain enamel container. Armature or coil is dipped and immediately withdrawn from the solution, then set aside with leads suspended in air or resting on an impervious surface. Fast and continuous production is achieved by the operator first dipping a series, then wiping or brushing. Stripper #504 is available in 1-gal. cans or in packages of 12 qt. or 24 pt. Price: \$6.75 (gal.), \$2 (qt.), \$1.25 (pt.), 65¢ (4 oz.), minimum order \$5. Delivery: immediate. **London Chemical Co., Inc., 1535 N. 31st. Ave., Melrose Park, Ill. (5/5/58)**

Indicator Lamp

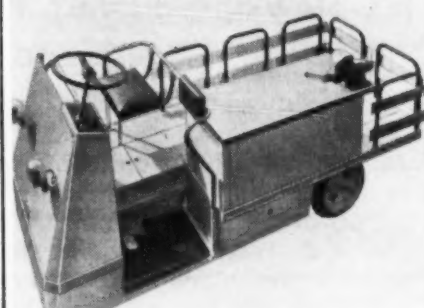
GE-344 is a low-current incandescent lamp for indicator use in transistorized circuits. Lamp can be used in transistor circuits and other applications where a small sized, low-current indicator lamp is needed. Of low current, long life design, the lamp is bright enough to be seen lighted under 100 footcandles of surrounding

illumination. It is rated at 10 v., 15 milliamp., and has a life in excess of 5,000 hr. Its tiny bulb measures only 3/32 in. in dia. Price: \$2.15. Delivery: immediate. **General Electric Co., Nela Park, Cleveland 12, Ohio. (5/5/58)**



Work Gloves

Nu-wing seamless thumb gloves completely eliminate seams from work contacting surfaces on and between thumb and forefinger. Efficiency, comfort, safety, and long glove life are said to be major benefits of the work glove design. Because there is no seam to pop or stick up and get into the way of work, Nu-wing gloves not only wear long but wear uniformly so they can be replaced before condition becomes hazardous for the worker. Gloves featuring the Nu-wing seamless thumb are available in two heavy-duty leather-palm types with choice of safety cuff or gauntlet in each. Price: from about \$11.50 to \$13 per dozen. Delivery: immediate. **Boss Mfg. Co., Kewanee, Ill. (5/5/58)**

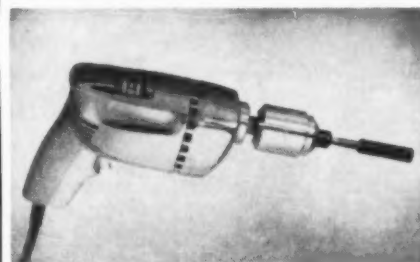


Maintenance Truck

Industrial Maintenance truck Model 71 runs on three wheels and is powered by electricity. It has built-in work facilities, carries loads up to 2,000 lb. and carries a maintenance crew along narrow factory aisles to plant trouble spots. Truck features maneuverability, a stand-up driver, a sit-down rider, four industrial batteries and a built-in automatic battery charger, large work bench with vise, built-in tool box, and a large load area protected by steel and aluminum stakes. Truck has Dynapower gear motor specially built for both continuous and intermittent heavy-duty operation. Motor gives efficient direct-in-line, two-wheel drive. The truck, which is built to be driver-serviced from top side, has a lift-up body for easy access to batteries and mechanical parts. Price: about \$2,395. Delivery: 6 wk. **Victor Adding Machine Co., 3900 N. Rockwell St., Chicago 18, Ill. (5/5/58)**

Pegboard Payroll System

Satellite payroll system is built around a center line writing feature which enables completion, with one writing, of check or cash-pay statement, payroll journal and employee's earnings record, including cumulative earnings. The 12x19-in. journal permits a payroll of up to 32 employees to be written on one sheet. In addition to daily hours worked, regular and overtime, and weekly total, there are 13 extra columns for additional earnings or deductions. Earnings record holds complete employee information for an entire year and has space for cumulative earnings and payroll period numbers in reverse type for faster visual sighting. Checks and cash pay statements are pantographed in several colors and are spot carbonized on the back. They are preshingled in banks of 10, and an entire check or pay statement can be completed with one writing while on the pegboard. Price: \$75 (depending on individual requirements and size of payroll). Delivery: immediate. **C. E. Sheppard Co., 44-48P 21st. St., Long Island City, N. Y. (5/5/58)**



Hand Held Electric Drills and Drivers

Heavy-duty electric drills have precision-sealed ball bearing construction design for continuous operation and production drilling with lifetime lubrication for cool performance. All drills have control hardened gears and capsule-type brushes for extra long life. All drills are equipped with three conductor cords for grounding safety and heavy-duty molded rubber cord protector. Heavy-duty impact-type power drivers are designed for controlled driving of fasteners. They feature controlled pressure that engages impact action and insures positive tightness of screws and nuts. Bits snap into ¼ in. hex socket. Drivers come in speeds from 600 to 2,000 rpm. for all driving needs. Price: from \$24.95 to \$44.95 (drills); from \$42.95 to \$58 (drivers). Delivery: immediate. **Stanley Electric Tools, Div. of Stanley Works, New Britain, Conn. (5/5/58)**

Where Can I Buy?

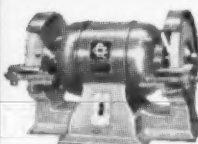
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The Record to Date

Reader's requests	99
Staff answered	85
Published in PW	14
Answered by Readers	9
Unanswered	5

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Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon



Simplifying Mathematics

Management in a Rapidly Changing Economy. Edited by Dan H. Fenn, Jr. Published by McGraw-Hill Book Company, Inc., 330 West 42nd St., New York 36, N. Y. 339 pp. Price: \$5.00.

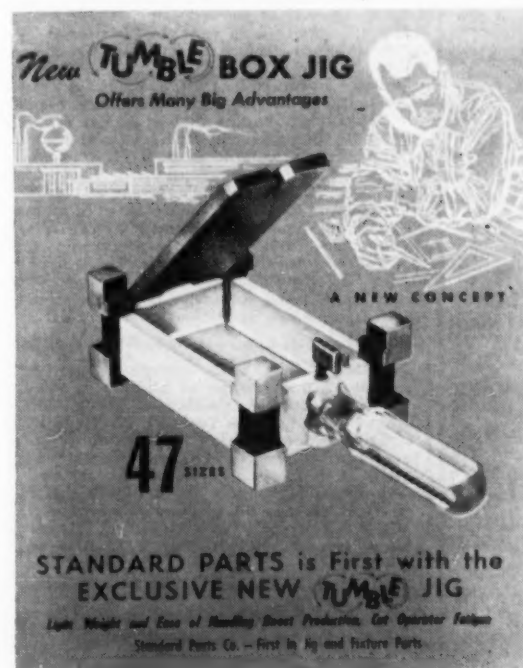
This basic book on business mathematics should prove a handy tool for the busy purchasing executive. Its main advantage is that it presents material in easy-to-understand arithmetic terms—ignoring the more complicated algebraic formulation.

It provides a sound basis for the everyday calculations needed in business transactions. Some of the subjects covered include: accounting, investment, business finance, money and banking, insurance, real estate, statistics and retailing.

Another advantage is the division of the book into two distinct sections. Part I is basically a review of common arithmetic techniques. Part II contains the essential material of the book—the application of arithmetic techniques to typical business problems.

Lightweight, tri-metal "Tumble" box jigs are featured in new bulletin. Details, sizes and specifications of all 47 sizes of jigs in the line are shown. Construction features such as interlocking leg joints (combining aluminum and cast iron); "pop up" gate which assures easy one-hand operation also are shown. Bulletin is available from **Standard Parts Co., 1030 Broadway, Bedford, Ohio.**

"Forty Facts You Should Know About Kewanee Boilers" is title of new booklet. It covers the general characteristics of the entire line of boilers, both high and low pressure, both firebox and scotch type. Booklet can be obtained from **American-Standard, Kewanee Boiler Div., Advertising Dept., Kewanee, Ill.**



"How to Machine Meehanite Castings" is title of 20-page booklet, No. 29. It presents an accumulation of machining data of various types of castings, according to the type of machine tool on which the operation is performed. Copies are available from **Meehanite Metal Corp., 714 North Ave., New Rochelle, N. Y.**

High-temperature corrosion and abrasion resistant castings are described in bulletin No. 2537. Two tables in the brochure which give temperature properties of various heat-resistant alloy castings and the composition and typical uses of National's alloys are included. Copies can be obtained from **Blaw-Knox Co., National Alloy Div., Pittsburgh 38, Pa.**

Ductile iron pipe lock couplings are described in 4-page catalog, No. PL-1. It illustrates how to install the fittings and makes recommendations for their use. It also contains price lists and size information for installing with schedule 40 steel pipe. Catalog is available from **The Kuhns Brothers Co., 1800 McCall St., Dayton, Ohio.**

Fusion-bond finishes are described in 4-page folder. It outlines the finished product cost and quality advantages possible with cladding powders. It also gives suggested applications for the various resins and a cladding selection table. Booklet available from **National Polymer Products, Inc., 125 North 4th St., Reading, Pa.**



Gold-plated binding posts are described in 4-page bulletin, No. BP958. Dimensions, features, methods of connection and prices are included. Bulletin can be obtained from **The Superior Electric Co., Dept. BP, Bristol, Conn.**

Solenoid valves for nuclear reactors are described in 4-page brochure. It contains illustrations of many ASCO solenoid valves supplied for primary and secondary systems in pressurized water reactors. Specifications and application data is also included. Copies are available from **Automatic Switch Co., Florham Park, N. J.**

Aluminum highway and bridge railing is described in 40-page brochure, No. PW-210. Complete specifications and design data for 43 sizes and types of cast aluminum railing posts is given. Tables of allowable unit stresses for structural aluminum alloys, plus typical problems in stress analysis, are also included. Brochure is available from **Michael Flynn Mfg. Co., Aluminum Div., 700 East Godfrey Ave., Philadelphia 24, Pa.**

Portable electrical test meter is described in 4-page bulletin. Photographs, specifications and descriptive materials is included. Copies can be obtained by writing **Belle-ville-Hexam Corporation, 638 University Ave., Los Gatos, Calif.**

Rigid plastic pipe encased in a steel jacket is described in 4-page pamphlet. It contains specifications, line drawings and other information. The plastic pipe, known as "Jal-Jacket," combines the pressure-retaining strength of steel pipe with the chemical resisting qualities of unplasticized polyvinyl chloride pipe. Pamphlet is available from **Public Relations & Advertising Dept., Jones & Laughlin Steel Corp., 3 Gateway Center, Pittsburgh 30, Pa.**

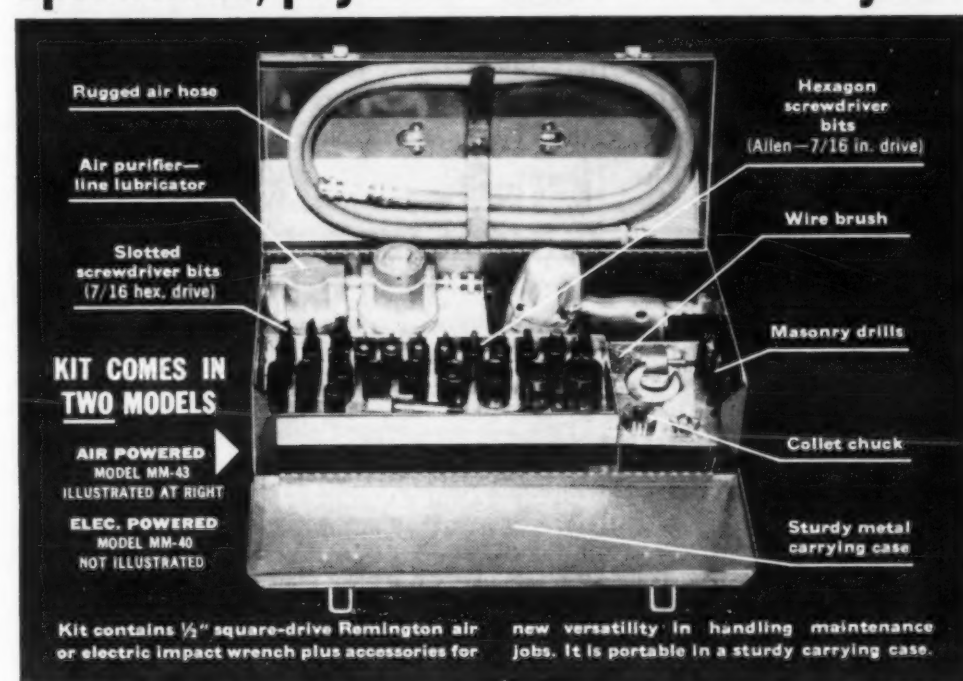
Plastic materials for industry is described in 144-page catalog. Technical information, properties and descriptions of the various types of plastics is provided. Sheets, rods, film, tubing and specialized plastics are covered. Current specifications and prices on most plastics in production today also are included. Catalog is available from **Delta Products, 1400 Hen-**

derson, P. O. Box 1440, Fort Worth 1, Tex.

Series of high-power density electric motors are described in 4-page brochure. Motors are illustrated and described, with charts indicating horsepower figures in terms of weight and volume. Available in standard, modified and custom designs, HpD motors are currently used in applications covering the broadest range of environmental and performance conditions. Brochure is available from **Task Corp., 1009 E. Vermont Ave., Anaheim, Calif.**

Plate heat exchangers are described in 8-page bulletin. Benefits of plate heat exchangers, list of applications, complete dimensions, mechanical specifications, and features are given. Bulletin can be obtained from **De Laval Separator Co., Advertising Dept., Poughkeepsie, N. Y.**

New KIT does 80% of maintenance operations, pays for itself in a few jobs!



New Remington Mechanics Maintenance Kit, above, features a reversible impact power wrench that handles bolting, unbolting, drilling, screwdriving, tapping and wire-brushing. Special accessories make the wrench a multi-purpose tool that saves valuable man-hours on jobs that normally require several hand tools.

Plant tests prove kit handles 80% of maintenance operations faster and easier than other methods. It saves machine downtime, pays for itself in a few jobs—goes anyplace you can put your hand. Mail coupon for performance data and specifications on this time- and money-saving kit!

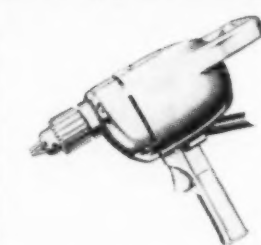
Choose the power most efficient for you. Remington power tools are made in **AIR, ELECTRIC OR GASOLINE-DRIVEN MODELS**

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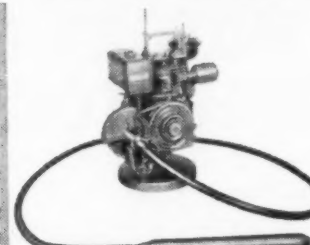
Send for illustrated booklet on Mechanics Maintenance Kit giving examples of savings. Also available: a catalog on complete line of Remington Contractor and Industrial Tools. Mail the coupon—there is no obligation.

Specifications subject to change without notice.

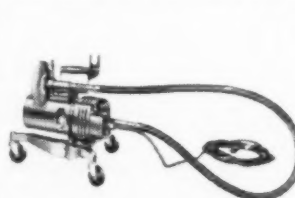
Other dependable power tools by Remington:



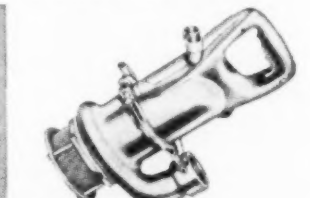
Heavy Duty 3/4" Drill 384 has high torque; capacity: 3/8" steel, 3/4" wood. Powerful 5 amp. AC-DC motor; ball and needle bearings; net 8 1/4 lbs.



Concrete Vibrator 10GVR has 5 H.P., air-cooled, variable-speed gas engine—up to 3,200 rpm. Economical. Up to 10,000 v.p.m.



Flexible Shaft Machine 1EGU for grinding, sanding, wire brushing has 3/4 H.P., 3,450 rpm motor. Rolls on low, underslung mounted base.



Sump Pump, PSP-602; with powerful air motor—completely submersible; pumps 14,000 gallons per hour against 10-ft. head.

Remington

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MALL TOOL COMPANY
Division of Remington Arms Company, Inc., Bridgeport 2, Conn.
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M. W. Kellogg Co. Plans to Help Industry To Cut Cost and Increase Plant Efficiency

New York—The M. W. Kellogg Co. has announced a new plan to help industry lower the cost, and increase the efficiency of industrial plant projects. J. N. McAneny has been appointed director of the firm's new Industrial Projects Division which will handle this new plan.

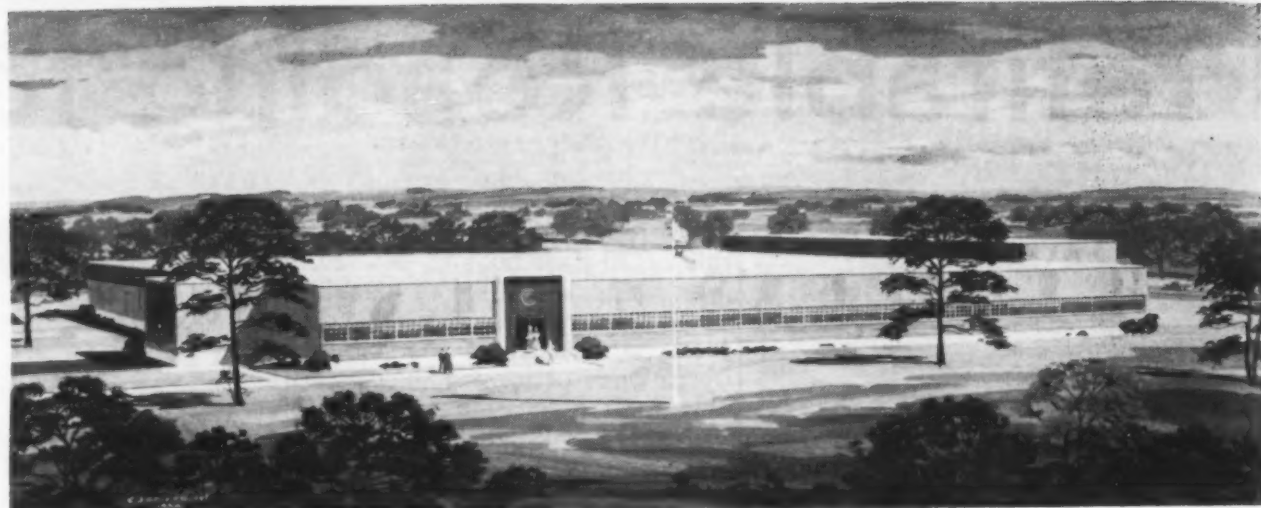
The new Industrial Projects Division puts the company in a position to offer coordinated contracting services for industrial processing projects outside of the petroleum industry. This service incorporates the engineering, pro-

curement, and construction phases of the projects handled.

Kellogg formerly specialized in the integrated construction of petroleum refinery plants.

Among industries the company will offer this integrated service to are textiles, chemicals, metal processing and other major business areas. The company has experience and is equipped to offer service in all regions.

Further information may be obtained from the company's headquarters at 711 Third Avenue, New York 17, N. Y.



Continental Can Co. to Build Corrugated Box Plant

New York—Continental Can Co. is building a 45,000-sq. ft. plant at Tyler, Texas, to manufacture a complete line of corrugated boxes from sheets supplied by the firm's Jackson, Miss., plant. The new facility is scheduled for comple-

tion July 31. Situated on 40 acres, it can be enlarged. This will be the 16th corrugated box plant operated by Continental domestically and will bring the total number of Continental plants to 140.

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Phone 2825 **J. T. Fish** Logan, W. Va.

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1000 Ft. Bulldog 250A, 3 Phase Bus Duct, (1/4"x1" Solid Copper Bus Bar), During The War This Size Was Rated Successfully at 400 Amps..... \$4.00 Ft.
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300 Ft. Bulldog 600A, 3 Phase Bus Duct (Copper)..... 8.00 Ft.
300 Ft. Bulldog 800A, 3 Phase Bus Duct (Copper)..... 11.00 Ft.
1000 Ft. Bulldog 900A, 3 Phase Bus Duct (Aluminum)..... 9.50 Ft.
250 Ft. Bulldog LO-X Feeder Duct, 1350 Amp., 3 Phase..... 16.00 Ft.
210 Ft. Bulldog LO-X Feeder Duct, 2000 Amp., 3 Phase..... 24.00 Ft.
600 Ft. Westinghouse 400A, 3 Phase Bus Duct (Copper)..... 5.50 Ft.
1800 Ft. Trumbull 250A, 3 Phase Bus Duct (Copper)..... 4.00 Ft.

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(64) GENERAL ELECTRIC

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7 1/2 KVA—3 phase—60 cycle—Circuit voltage 230

Catalog #16F14 (Quantity Available—64 Units)

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Packed 500 per pallet

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14x48 Norton Type "C" Plain,
cylindrical, 1942, excellent condition

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Size 2" and 3" only, Teflon or stainless steel

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CAUFFEL MACHINERY CO.

5251 FAIRGREEN AVE
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Phone Collect

Canadian Industries Has Oil-Free Finish

Toronto—Canadian Industries Ltd. has developed a new type of oil-free baking finish for coating metal called Dynakote. Developed primarily for the appliance manufacturing industry, the new paint is based on a cross-linked vinyl copolymer, according to the company.

Dr. G. H. Segall, one of the research developers, said that "eventually, the principle of this new finish will probably be expanded into all kinds of finishes, including auto paints."

C.I.L. claims the new paint is greatly resistant to soap, detergents, corrosion, humidity, alkalis, acids, heat, solvents, stains, and greases. It is also resistant to over-baking.

Canadian Frigidaire switched to Dynakote this spring on refrigerators, food freezers, automatic washers and driers, and on some parts of its electric ranges.

Negotiations are now under way to license production of the new paint in the United States for distribution to the appliance industry as soon as possible.

Jaeco Pump Co. Formed; Radical Design Planned

Villanova, Pa. — A new firm, Jaeco Pump Co., has been formed to make and sell proportioning and power pumps. A company spokesman said a complete line of reciprocating pumps of radically improved design are soon to be announced.

Production is already established on several sizes of low and medium pressure and capacity pumps at the company's 20,000-sq. ft. Philadelphia plant.

Celanese Corp. Finishes Manufacturing Plant

New York—Celanese Corp. of America has completed construction of a new manufacturing unit at its Belvidere, N. J., plant to produce polyvinyl acetate emulsions at more than 20 million pounds a year capacity.

Polyvinyl acetate emulsions were formerly produced at Celanese's plant at Linden, N. J. This plant will now produce polyester resins exclusively.

Worsted Tags Reduced

Garfield, N. J.—Samuel Hird & Company has cut tags on worsted fabrics for the autumn

men's clothing line by some 7-10%. The reduction reflects lower costs on wool tops. It brings the company's prices in line with competitors who had reduced tags at an earlier date.

Crucible Steel Co. Uses Polyethylene Packing

Pittsburgh, Pa.—Crucible Steel Co. of America is now packaging its precision-ground flat tool steel in polyethylene envelopes. The company claims the plastic package protects this special steel not only during shipment and storage, but also while it is cut into smaller sections by the customer.

The plastic envelope which protects the precision-ground surface of the stock from rust, scratches, and grime can be peeled back to cut off the required length, then rolled back to protect the remainder of the stock.

Ideal Cement Co. Buys Washington 7-Acre Tract

Denver — Ideal Cement Co. has acquired a seven-acre tract on the Columbia River near Vancouver, Wash., for construction of a deep-sea distribution and cement storage terminal.

Studies are now underway to determine the type of buildings to be constructed. When the studies are completed, Cris Dobbins, Ideal president said, construction will take about a year and will cost more than \$2-million.

Hydro Metal Corp. Sold

Manhattan Beach, Calif.—United States Chemical Milling Corp. has acquired Hydro Metal Spinning Corp. of Los Angeles. Hydro, manufacturer of precision parts and components, is a subcontractor to the aircraft, missile, and electronics industries.

Firms to Consolidate

Niagara Falls, N. Y.—Subject to stockholder approval, Hooker Electrochemical Co., here, and Shea Chemical Corp., New York, plan to consolidate as the Hooker Chemical Corp.

To Make Folding Cartons

New York—Olin Mathieson Chemical Corp. plans production of folding cartons in the fourth quarter of 1958 at facilities in West Monroe, La.

PURCHASING WEEK ADVERTISING STAFF

PRODUCTION MANAGER

L. W. Nelson

Atlanta 3, Ga. . . . M. H. Miller,
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Steven Shaw, 520 North Michigan
Ave., Mohawk 4-5800

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901 Vaughn Bldg., 1712 Commerce
St., Riverside 7-5117

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1740 Broadway, Mile High Center,
Alpine 5-2981

Detroit 26, Mich. . . . William H. Kearns,
856 Penobscot Bldg., Woodward
2-1793

Los Angeles 17, Calif. . . . John B. Up-
hoff, 1125 West Sixth St., Madison
6-9351

New York 36, N. Y. . . . Harry Denmead,
Charles F. Meyer, 500 Fifth Ave.,
Oxford 5-1587

Philadelphia 3, Pa. . . . Walter R. Dona-
hue 6 Penn Center Plaza, Locust
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Woolston, 68 Post St., Douglas
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Purchasing Perspective

MAY 5-11

(Continued from page 1)

appear to have their adversary, Walter Reuther, on the defensive by insisting that the U.A.W. bargain now or else. The complicated question of wages, prices, and markets has no easy answer in any industry, and is even more demanding of a carefully considered decision in such economic vital segments as autos and steel.

Threat of a steel price rise apparently has prompted only a few P.A.'s to buy now as a protection against added costs. Under normal circumstances order books would be filling with such anticipatory purchases. There are several reasons for this beyond the fact that steel consumers production schedules are still below par.

Gambling on inventory is not so popular as in past years. Jobbers who frequently do gamble are still heavily loaded and are avoiding speculative buying. There also are some steel customers who don't believe the industry will raise prices under present operating rates.

What are the best available clues to the big question of "when will the upturn begin?" Of seven leading business indicators, three are currently rising, four are falling. Construction contract awards, industrial stock prices, and the average workweek have turned up in the past month or two. But business failures, spot commodity prices, residential building awards, and new business incorporations still lean toward more of a downturn.

But the upturn of the three indicators could mean that a business pickup is about ready to start. Should two or more indicators follow the first three upward during the next few weeks, the road back to full business activity will have been signaled for late summer.

How expensive is dirt? It's a big factor in maintenance costs as A. T. & T. stockholders learned at their annual meeting two weeks ago. Company chairman Frederick R. Kappel announced that use of a new type treated cloth for dustless sweeping of office and halls had saved the utility \$1 million last year.

Autos Big 3 Unite To Face Unions

(Continued from page 1)

of a wage reopener clause and a stock participation plan.

Reuther says "the companies can't make us strike." Company negotiators feel the union can't and won't allow itself to be forced into a strike.

Chicago — Foreign shipping was tied up here and at several other Great Lakes ports in a dispute over demands by the Masters, Mates, and Pilots Union that the foreign ships use U.S. or Canadian pilots for lake and straits navigation.

Union longshoremen refused to cross pilots' picketlines and both incoming and outgoing freight was delayed. At least 11 ships were idled at Chicago's Calumet Harbor docks at midweek, and a number of others were affected at Milwaukee, Cleveland, and Toledo. Shipping, Union, and Chicago Port officials flew to Montreal in an effort to work out agreement with the Shipping Federation on the dispute.

New York — A federal court order, effective until July 1, ended a 10-day blockade of New York-New Jersey piers by trucking companies protesting the higher loading and unloading rates imposed by pier terminal operators. The order was against longshoremen who picketed in sup-

port of the truck operators.

Cincinnati — Workers in 18 Miami Valley foundries returned to work after agreement on a three-year contract ended an 11-week walkout. The pact accepted by the Molders and Foundry Workers Union provided for an immediate 7¢ wage boost, 6¢ more next April, and a 7¢ increase in 1960.

Foreign Lines to Open Joint Buffalo Service

Buffalo, N. Y. — Two foreign shipping lines are instituting a new joint service for Buffalo this year to build up tonnage contacts before the St. Lawrence Seaway is completed next spring.

Brown & Co., Buffalo ship operators and agents announced it has been appointed local agent for the Ellerman-Great Lakes Line in the operation of the service with the Fabre Line to and from European ports.

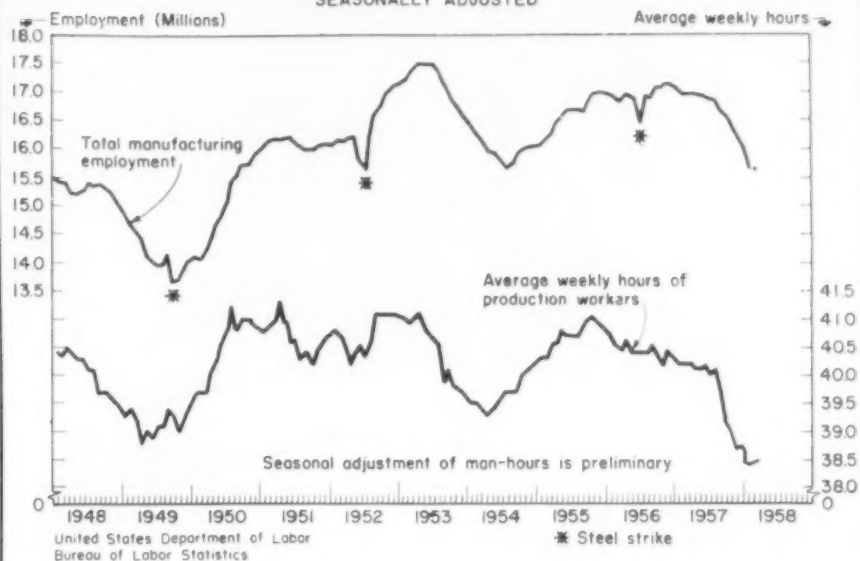
Fire Destroys Plant; Robinair Builds New One

Edgerton, Ohio — The Robinair Manufacturing Corp., destroyed by fire April 4 with loss of \$550,000, plans to construct a new building in Montpelier.

Harold Stubbs, manager of the precision tool firm, said the company will relocate from its temporary quarters in Mohawk Tools, Inc., East Main St., when the new building is completed.

EMPLOYMENT AND HOURS OF WORK IN MANUFACTURING INDUSTRIES

SEASONALLY ADJUSTED



Employment, Manufacturing Trends Shown

The ten-year trend in manufacturing employment and hours of production workers has significant implications. Note how both closely follow the cycle of general business activity. The trend also indirectly reflects the big increase in automation and other labor-saving devices which have enabled us to boost output—despite declining hours of work and a labor force that grows at a very slow rate.

Ike Happy as Unemployment Falls; Foes Call April Drop Meaningless

Washington — The drop in April unemployment won another month for President Eisenhower in his fight to delay a tax cut on the basis of the drop in April unemployment.

The preliminary employment figures released last week touched off the usual battle of the statistics. Eisenhower pointed to the decline in joblessness as dramatic confirmation of his view that the economy is flattening out.

But Democrats and the AFL-CIO contended the decline was meaningless—that on a seasonal basis unemployment should have declined 450,000.

The bulk of the increase in employment resulted from new additions to the labor force—housewives and students—taking farm jobs. The rest was accounted for by a spring pickup in such outdoor activities as construction and lumbering. Total employment amounted to 62.9 million and unemployment to 5,120,000.

Government employment experts said privately "there's not much to cheer about in the new figures." They said that when the complete employment report is released this Friday (May 9) it was practically certain to show a further decrease in the number of persons holding jobs in the crucial manufacturing industries where the recession has centered.

Eisenhower has held off reaching a decision on cutting taxes, despite heavy pressures, until he can get a clearer picture on the course of the economy. The April drop in unemployment apparently has given him all the justification he needs to delay the decision another month.

If, as government economists expect, unemployment shows another slight drop in May then the President will have won his fight against general tax reduction for individuals and corporations.

The President's position on tax cuts was buttressed last week by businessmen attending the annual meeting of the Chamber of Commerce. Sentiment among the dele-

gates was overwhelmingly against any tax cuts at this time.

The Democrats, however, also picked up some allies last week.

A group of professional economists appearing before Congress urged immediate tax cuts to give greater assurance of a business pickup this year.

And AFL-CIO President George Meany said flatly that the new job figures prove not that the recession has touched bottom but that it "continues to worsen." He pointed out that on a seasonally adjusted basis unemployment rose from 7% to 7.5% of the total work force—a postwar record with the exception of one month in 1949 when the figures were believed out of line because of a coal strike.

British Auto Industry Working Full Capacity

London — In contrast to Detroit, the British automobile industry is producing at capacity. Its big effort is to maintain high exports to the United States.

Britain exported a record \$42 million worth of cars to the U. S. in the first three months of this year, \$18 million more than in the corresponding period of 1957.

The Board of Trade says that with British exports to Europe falling off sharply, car exports to the U. S. are helping to keep Britain's trading position "buoyant."

For the first time in any month, the industry's output topped the 100,000 mark in March. Every company in the "Big Five" reported record production.

Wilmington P.A.'s Tour New Tidewater Refinery

Wilmington, Del. — Twenty members of the Purchasing Agents Association of Wilmington toured Tidewater Oil Co.'s new multimillion dollar refinery at nearby Delaware City on April 23.

New Orders Still Bright Spot

N.A.P.A. April Business Survey Reveals Prices On Downward Move

New York — The new order situation remains as one of the bright spots but otherwise business "is coasting and still seeking the critical turning point in the present recession," according to N.A.P.A. purchasing executives. The April report of the N.A.P.A. Business Survey Committee said 27% of the members replied their new order position was better while 44% reported no change and 29% noted a decrease.

No Change in Production

In March the N.A.P.A. monthly bulletin had described improving new order rates and indications the sharp down trend in production may be halting as "hopeful signs on the horizon."

Last month, there was again a slight improvement in new orders, the association said. But there was "little change in the production figures," the report said, with 54% reporting production the same, 30% reporting decreases, and 16% increases.

As for prices, the N.A.P.A. said it was "significant that committee members report prices of more and more of the items they buy are beginning to move downward, in the normal recession direction."

"Close to Chest" Is Rule

Other highlights of the N.A.P.A. report were:

- Buyers are still reluctant about making forward commitments and, with nothing in short supply, they will continue to play it close to the chest.

- Purchasing executives are still not satisfied with their purchased material inventory levels, and strong efforts are being made to reduce them further.

While major raw material markets have been weak for months, the report said, "it is only recently that prices of many manufactured industrial items have begun to slide."

Low Inventories a Hazard

Reporting members said "further efforts are being made to reduce purchased material inventories" with a few warnings: "The inventory reduction program is fine as long as all materials remain in their present abundantly available state, but that a scramble for materials could develop if any significant group were to make 'buy decisions,' depleting present vendor stocks."

In commenting on the role vendor-warehousing plays in keeping inventories down, the report said "many mentioned that it has been a part of their inventory picture for years and is getting no more consideration now than in the past."

Russians Find Titanium

Bonn — Large deposits of high grade titanium ore have been discovered near Samotkansk in the Ukraine, according to the Soviet News Agency Tass. The titanium layers reportedly have a thickness of 11.5 to 16 feet and also contain zirconium.

Tax Cut Fought By Businessmen

Members' Sentiment Emphasizes Opposition To Government Plans

(Continued from page 1)
level of confidence among the businessmen and women.

While some delegates looked for a depressed state of business activity for the rest of the year, most thought there would be an upturn before 1959.

Some 4,000 delegates, representing a cross-section of American business, attended the meeting, the largest gathering of businessmen for the year.

There was virtually complete agreement among those polled against any further government anti-recession programs. Most of the businessmen believed that the government cure might be worse than the ailment and that the economy if left to its own devices would straighten itself out shortly.

On the subject of taxes, the chamber delegates were in the opposite corner from their national president, Philip M. Talbott. Talbott said he favored a tax revision and tax cut this year—"and the quicker, the better."

Only one of the delegates polled agreed. The others mentioned such things as the high level of defense spending, the government deficit, and the inflationary threat in their opposition to a tax cut at this time.

Talbott gained more support for his views on the business situation. He said flatly that "the bottom already has been reached" and that the economy would turn upwards this June. While most of the delegates also foresaw a business revival this year, the majority figured it would come later. A.C.C., however, thought the rise would be a slow one.

Many of the delegates were critical of the intensive press and radio coverage given recession news. Said one youthful banker from a farm area in Nebraska:

"We wouldn't even know there was a recession if the newspapers and radio didn't play up the matter too much. There's no recession in my part of the country and we've started a counter campaign to keep people from getting excited about what they hear and read."

His view was echoed by the president of a large Florida life insurance company, who added: "I don't think there has even been a recession or depression. I would call it an inventory readjustment and that as soon as this thing shakes itself out we will begin to see a definite upturn, probably early this summer."

N.E.A.M. Adds Section On Air Conditioners

New York — The National Electrical Manufacturers Association has formed a new section for manufacturers of room air conditioners.

Member companies of the new section decided to continue to promote existing industry product standards and BTU rating programs.



INTERIOR SECRETARY FRED A. SEATON, left, proposes price supports for minerals to Senate Interior Subcommittee. Senator Malone, right.

Metal Producers React Coolly To U.S. Price Subsidy Plans

Congressional Approval Would Mean Cost Of \$161 Million for First Year's Operation

(Continued from page 1)
they would be paid the difference by the Interior Department up to set quantity limits on each (see table).

If approved by Congress, the subsidy plan would cost an estimated \$161 million the first year and lesser amounts each succeeding year if the plan were effective in stabilizing supply and demand on the open market.

Initial Congressional reaction was mixed. Several Congressmen said they doubted Congress is in any mood to lay out the required new appropriations this session.

In New York, one large copper producer described the proposed plan as "unfair and absurd." He said it really helps the low-cost producer and not the high-cost mine. "I do not think the plan could be operated," he added.

A spokesman for Cerro de Pasco Co. felt it was "inconsistent with the attainment of a business structure based on a free economy." Others, however, such as Kennecott, American Smelting and Refining, and Phelps Dodge Corp. withheld comment until they had time to study the plan further.

Mining-state legislators feel the new plan doesn't go far enough—the price floors recommended by Seaton are well below the prices domestic producers have testified they need as a break-even point. Copper miners, for example, have asked measures to hold the price at 30¢ per lb. The subsidy program is based on a 27½¢ price. Current price has been running 24½-25¢. Lead producers are seeking a 17¢ minimum, zinc 15¢, fluorspar \$52 per ton, tungsten \$42 per unit.

Domestic miners are also unhappy that the subsidy is being proposed as an alternative to the import tariff boosts and quotas they have been planning to try to tack on the Reciprocal Trade Agreements Act Extension Bill.

But the promise of a subsidy plan weakens their drive on the trade bill. It also will provide a strong argument for the President to reject the tariff hikes on lead and zinc recommended last week by the Tariff Commission.

If western Congressmen agree

to go along with the compromise one-year extension of the trade bill now being studied by House Ways & Means Committee, they will try to get Seaton to raise the floor prices in his subsidy plan.

In any case the subsidy plan, coupled with the one-year trade bill compromise, paves the way for shelving the controversial issues of trade policy and domestic mining support until next year. Then, the Administration hopes, the recession will have ended, reducing the pressure for federal mining aid and restrictive tariffs and quotas.

Commodity	Stabilization Price	Annual Limitation Tons
Copper, lb.	27½¢	1,000,000
Lead, lb.	14.75¢	350,000
Zinc, lb.	12.75¢	550,000
Fluorspar, short ton (acid-grade)	\$48	180,000
Tungsten, short ton	\$36	375,000

Hauge at Bonn Predicts Upturn in U.S. Economy

Bonn — Presidential adviser, Gabriel Hauge, here for talks with West German officials, predicts a positive upturn in the U.S. economy in the autumn of this year.

"Counter forces which are pulling the economy down are running out of steam," Hauge told a press conference here April 29. He said, "unemployment is leveling off and employment has risen. However, in either case the change is not so great as would have been expected from seasonal factors alone, indicating that cyclical effects are still stronger than seasonal ones."

Seiberling Rubber Begins Plastic Sheet Output

Newcomerstown, Ohio — Seiberling Rubber Co. has started commercial production of extruded plastic sheets made from polypropylene, which can be used for the manufacture of industrial equipment such as tank liners, exhaust ducts, and fume hoods where metal has proved unsatisfactory.

Nylon Fights for Tire Market; Rayon Girds for 'Battle of Fibers'

(Continued from page 1)
000 nylon tires on some 50,000 cars without the customer's knowledge to learn public reaction to nylon. It has arranged with dealers to keep track of all complaints.

If Chevy decides to use nylon tires as original equipment in 1959, informed sources say other manufacturers would be forced to follow to keep competitive. This could be a fatal blow to rayon tire cord whose last big stronghold is in the original equipment tire market.

Present price of nylon tires is about 10% higher than rayon. However, nylon producers say they can meet rayon's prices if given a volume impetus.

Rayon Will Fight for Market

The American Rayon Institute is not taking all this sitting down. Last week it opened a vigorous campaign designed to convince the public that rayon is still superior to any other tire cord on the market.

It claims that scientific tests conducted by reputable research organizations prove rayon superior in the areas of heat resistance, greater tread wear, quieter riding, less growth, and greater retreadability.

Du Pont and Chemstrand, the two major producers of nylon, are also stepping up their campaigns to capture the original equipment market. Du Pont recently invited the press to its Wilmington, Del., plant to disclose latest research data on nylon fiber for tires.

According to Du Pont, nylon cord tires have the best bruise resistance, high-speed perform-

ance, flex fatigue resistance, heat resistance, moisture resistance, durability, safety features, and long-range economy.

It was pointed out that "flat-spotting", caused by the weight of a car parked overnight, should be eliminated by the new prestressed cords available. This has been a main complaint against the fiber.

Depends on Consumer

P. M. Walters, manager of Du Pont's Textile Fibers Department, admitted that "how far nylon goes depends upon the consumer. As the industry continues to capitalize better on its properties and consumer awareness of its contributions increases, nylon's steady growth in the tire market can be expected to continue."

There are some who believe nylon will do to rayon what rayon did to cotton in the tire cord market.

Cotton was the original tire cord. During World War II when most of this country's natural rubber supply was cut off, synthetic rubber plants found rayon better adaptable to the new process. As a result, rayon for tires jumped from 5 to 99%.

Nylon came along in 1944. Today all airplane tires are nylon, and the fiber also is used in most truck tires, premium passenger car tires, and tires for off-the-road construction machinery. It also accounts for a substantial bite of the change-over and replacement tire market.

Now the battle is on for the biggest and most important market for tire cord—the 100-million original equipment tires manufactured each year.

Defense to Obey Oil Restrictions

(Continued from page 1)
chasing agency, largest government buyer of oil products, will reject bids from companies offering "non-complying products."

• Offshore buying—mostly from foreign refineries in the Caribbean area—will be continued, but a 6% differential will be applied to foreign bids.

Foreign bids can be accepted if domestic supplies are not available or if price is deemed excessive. Under the new rules, a domestic price will be too high if it is more than 6% above an otherwise-low foreign bid. For example, a domestic refiner may bid 9.9¢ per gal. on jet fuel. A foreign refiner's total bid is 9¢. The domestic bid would, in such a case, be 10% higher than the foreign bid. Military buyers then could rule the domestic price excessive and accept the lower foreign price.

• No price differential will be applied to products refined from crude oil imported in consonance with the imports program.

• The revised rules apply only to procurement of petroleum products for use in the U.S., and not to purchase abroad for use abroad.

Effect of the program is to provide an incentive—government purchases—for oil companies to comply with the Administration's

expressed desire to reduce imports of foreign crude oil.

Another government buyer, the General Services Administration, also has adopted a stronger "Buy American" policy in line with the White House directive. G.S.A. will apply a 6% differential to offshore oil products, and will continue to buy non-complying products but with a stiff 25% penalty differential. G.S.A. buys for most non-military government agencies.

Captain Matthew V. Carson of the Interior Department, the government's oil imports administrator, has termed the voluntary program "over 97% effective."

Illinois Governor Urges No Controls for Gas, Oil

Chicago—Federal and state governments were urged last week to permit the oil and gas industry to operate free of controls wherever and whenever possible.

Addressing the midyear meeting here of the Independent Petroleum Association of America, Illinois Governor William G. Stratton said that only by restoring the gas industry to what he termed its historically independent status could the public interest be served.

Concerning the oil industry, he urged "renewed compliance with the national policy that importation of oil should supplement, not supplant, domestic production."

'Sell Now' Fever Hits Industry; Fight Recession Programs Urged

Services, Expanded Sales, Quality Emphasized As Stimulant Toward Business Upswing

(Continued from page 1)

the wake of the vigorous "buy now" anti-recession offensive being waged across the country at consumer pocketbook level.

General Electric, with its recently announced "Operation Upturn," is a fresh example of how industry is embarking on aggressive programs at P.A. level to spark a 1958 business upturn.

Purchasing agents, who for months have been swamped with platoons of salesmen, can look for even greater pressure with new sales pitches to get okays on order forms.

"We want our salesmen to put themselves in the place of the purchasing agent, decide what he needs or would like to have, and then attempt in every way possible to give it to him," declared Arthur F. Vinson, a G. E. vice president just appointed to head the electrical manufacturing firm's new Apparatus and Industrial Group.

"There will be much more shoe-leather selling than ever before," he said. "This means many more salesmen hammering at the doors of purchasing agents." But for G. E., price cutting is out. The pitch is on service and quality.

International Business Machines, which last week reported its sales on the upswing, is pushing ahead with similar tactics.

In its efforts to accelerate sales even more, IBM is stressing improved customer service, continuing its expansion program, and even hiring more personnel in an attempt to make a greater contribution to the nation's economy as a whole.

A more detailed picture of how U. S. industry is organizing to expand sales, production, and employment to meet the recession challenge will be revealed in New York, May 19-20. More than 1,000 top executives assemble then for a special Economic Mobilization Conference arranged by the American Management Association.

Chief executives from 16 leading corporations will discuss what positive steps their firms are taking to beat the downturn and tell of success to date. The elaborate two-day program is scheduled to climax on a keynote address by President Eisenhower. Vice President Nixon will lead one of the panel discussions. Commerce Secretary Sinclair Weeks also will speak.

Some companies already have reported encouraging, tangible results from re-emphasized positive selling techniques. The Judson L. Thompson Co., of Waltham, Mass., 73-year old rivet setting machine manufacturer, for the first time in its history set up a special booth at the Design Show in Chicago last month. The display brought in more than 400 requests for specifications.

Another Waltham plant, Cleve Transistor Products, analyzed its sales and found 20% of its customers provided 80% of its business. Extra sales effort was directed toward this vital segment and sales of diodes and transistors are breaking records month-by-month.

In Denver, Ringsby Truck Lines conducted a "Sales for Security" contest among its 1,200 employees. Utilizing the "everyone a salesman" theme, the drive landed 3,121 new accounts in the 10 states in which Ringsby operates. Reactivated were 4,362 old accounts.

Said Ringsby general manager

Gail H. Crawford: "This proves to our satisfaction what a truly all-out sales effort can do even in a slack season and a soft market."

Blaw-Knox's Construction Equipment Division at Mattoon, Ill., is pressing a new advertising and sales promotion program aimed to help dealers around the country.

Meanwhile, as industry practices its sell techniques on the plant level, all types of retailers—but especially in the appliance and auto fields—are pursuing the consumer relentlessly with a barrage of "Buy Now," "Sales Mean Jobs," "Buy Your Way to Prosperity," and "You Auto Buy" propaganda and sales efforts.

South Jersey P.A.'s Air Small Firm P.A.'s Work

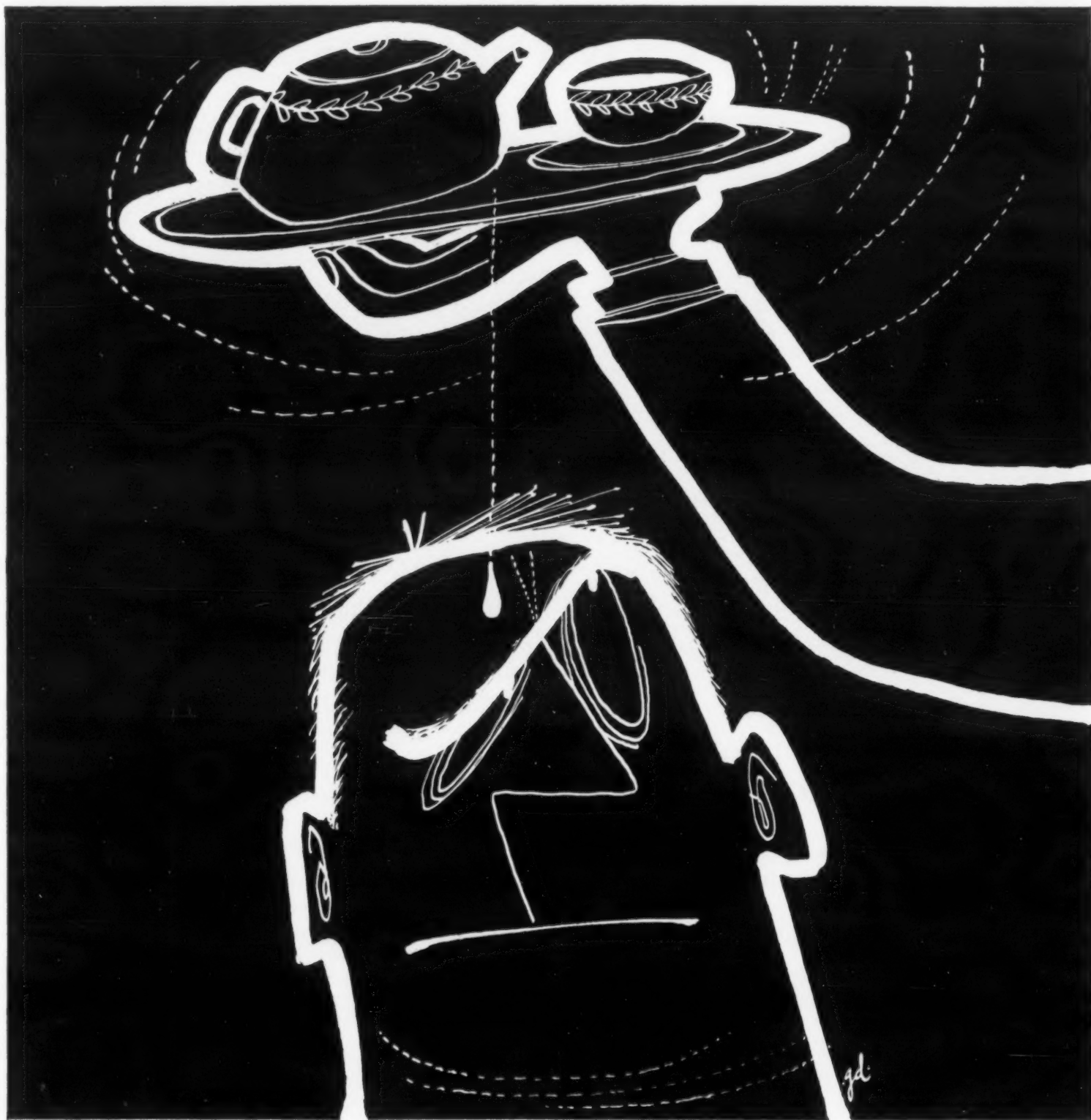
Camden, N. J.—Responsibilities shouldered by purchasing agents for smaller companies was discussed at the April meeting of the South Jersey Purchasing Agents Group.

Joseph Taylor, secretary-treasurer of John E. Lingo & Son, Inc., disclosed that buyers of raw materials and industrial supplies for smaller manufacturers normally have additional executive responsibilities. These give him a well-rounded knowledge of the management objectives of the organization, Taylor said.

Taylor, a charter member of the South Jersey association, also emphasized the necessity of maintaining good relations with salesmen, of buying in quantity lots for efficiency and lower cost, and of maintaining accurate purchasing records.

Summit Acquires Firm

Denver — The newly-formed Summit Chemical Co. has acquired the Service Supply Co., producer of automotive chemicals. Summit will offer custom packing facilities for liquids and powders under private label brands covering a wide variety of compounded chemicals.



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call
your local
industrial
distributor

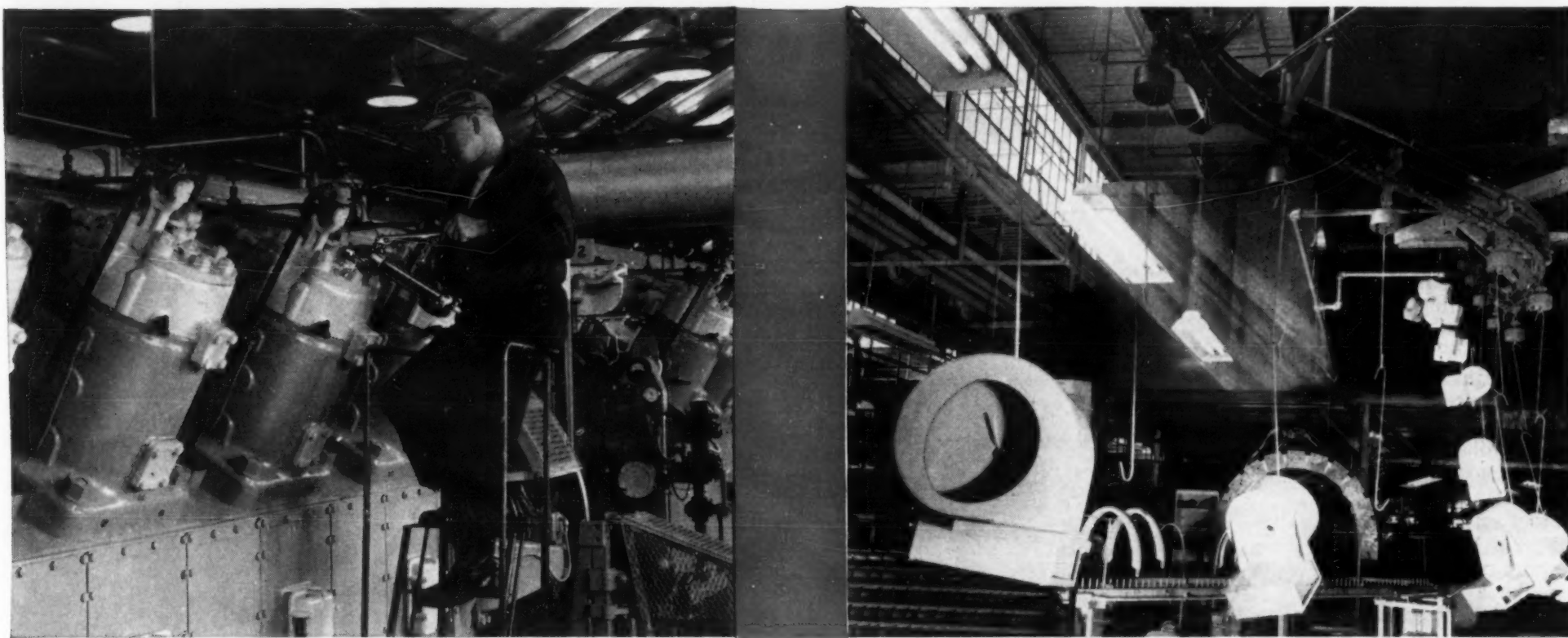
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